



Rep. Curtis J. Tarver, II

Filed: 5/31/2026

10400SB3019ham001

LRB104 20255 HLH 38701 a

1 AMENDMENT TO SENATE BILL 3019

2 AMENDMENT NO. _____. Amend Senate Bill 3019 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 1.

5 Section 1-1. Short title. This Article may be cited as the
6 Targeted Advertising Services Tax Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-5. Findings and intent. The General Assembly
9 finds and declares the following:

10 (1) Many goods and services that traditionally have
11 been subject to Illinois State and local use and
12 occupation taxes have avoided taxation in the digital era.
13 Many digital transactions are harder to bring into the
14 sales tax base because, instead of paying a monetary fee,
15 customers often barter their personal information for

1 access to digital platforms. This personal information, in
2 turn, is sold for use in targeted advertisements on
3 digital platforms.

4 (2) The value of the consumption provided by digital
5 platforms is typically greater in proportion to the size
6 of the network. The General Assembly finds that the
7 consumption value provided by small networks is
8 negligible, especially when compared to the compliance
9 burden that would be imposed on those digital platforms.

10 Section 1-10. Definitions. As used in this Act:

11 "Department" means the Department of Revenue.

12 "Device" means any medium through which targeted
13 advertising services may be accessed, including stationary or
14 portable computing devices, tablets, phones, and smart
15 devices.

16 "Digital interface" means any type of software, including
17 a website, part of a website, or application, that a
18 user-consumer is able to access with a device.

19 "Gross receipts" means income or revenue from all sources,
20 before any expenses or taxes, computed according to generally
21 accepted accounting principles.

22 "Other comparable advertising services" includes the
23 following targeted advertising services:

24 (1) Display advertising;

25 (2) Internet programmatic video advertising;

1 (3) Multichannel video programming distributor
2 advertising conveyed via cable television, satellite
3 television, or a digital fiber-optic distribution system;

4 (4) Advertising on social media;

5 (5) Native advertising; and

6 (6) Incentivized or rewarded advertising.

7 "News media entity" means an entity engaged primarily in
8 the business of newsgathering, reporting, or publishing
9 articles or commentary about news, current events, culture, or
10 other matters of public interest. "News media entity" does not
11 include an entity that is primarily an aggregator or
12 re-publisher of third-party content.

13 "Person" means any natural individual, firm, partnership,
14 association, corporation, limited liability company, or trust;
15 any receiver, executor, trustee, guardian, or other
16 representative appointed by order of any court; or any other
17 entity. Unless expressly provided otherwise, the term "person"
18 does not include a governmental entity or a unit or
19 instrumentality of a governmental entity.

20 "Programmatic" means capable of automating advertising
21 services. Programmatic targeted advertising services may be
22 sold in real time by employing technology that uses
23 computer-driven or software-driven workflow or machine
24 learning algorithms to deliver advertisements to
25 user-consumers based on user-advertiser-defined parameters,
26 including precise user-consumer targeting data such as

1 user-consumer:

2 (1) Geographic locations;

3 (2) Types of devices;

4 (3) Recent online search behaviors;

5 (4) Browsing history;

6 (5) Shopping history;

7 (6) Purchase history; and

8 (7) Biographical and other information compiled in
9 databases.

10 "Provider of Targeted Advertising Services" or "Provider"
11 means a person engaged in the occupation of providing targeted
12 advertising services whose annual cumulative gross receipts
13 from targeted advertising services provided in this State
14 during the previous 12-month period exceed \$1,000,000.

15 Each provider of targeted advertising services in this
16 State shall determine on a quarterly basis, ending on the last
17 day of March, June, September, and December, whether the
18 provider met the \$1,000,000 cumulative gross receipts
19 threshold for the preceding 12-month period. If the provider
20 meets the threshold for a 12-month period, the provider is
21 subject to the tax imposed under this Act and is required to
22 remit the tax and file returns for one year. At the end of that
23 one-year period, the provider of targeted advertising services
24 shall determine whether it met the threshold during the
25 preceding 12-month period. If the provider meets the threshold
26 for the preceding 12-month period, they are required to

1 continue to remit the tax imposed under this Act and file
2 returns for the subsequent year. If at the end of a one-year
3 period a provider of targeted advertising services determines
4 that it did not meet the threshold during the preceding
5 12-month period, that provider shall subsequently determine on
6 a quarterly basis, ending on the last day of March, June,
7 September, and December, whether the provider meets the
8 threshold for the preceding 12-month period.

9 "Targeted advertising services" means any programmatic
10 written, oral, or graphic statement or representation conveyed
11 through a digital interface or any other method of delivery,
12 including, but not limited to, banner advertising, search
13 engine advertising, interstitial advertising, and other
14 comparable advertising services that use personal information
15 about the people to whom the ads are being served. "Targeted
16 advertising services" does not include advertisement services
17 on digital interfaces owned or operated by or operated on
18 behalf of a news media entity.

19 "User-advertiser" means a person who contracts with a
20 provider for targeted advertising services.

21 "User-consumer" or "user" means an individual or any other
22 person to whom targeted advertisements are conveyed.

23 "User-consumer contact information" means a
24 user-consumer's email address, telephone number, home address,
25 mailing address, or any credit card information necessary to
26 engage in a sales transaction.

1 "User-consumer data" means any information that
2 identifies, relates to, describes, is capable of being
3 associated with, or could reasonably be linked with a
4 user-consumer, whether directly submitted to the provider or
5 user-advertiser by the user-consumer or derived from other
6 sources.

7 Section 1-15. Tax imposed.

8 (a) Beginning January 1, 2027, a tax is imposed upon
9 providers of targeted advertising services at the rate of 10%
10 of the gross receipts derived from such targeted advertising
11 services provided in this State.

12 (b) The impact of the tax levied by this Act is imposed
13 upon providers engaged in the business of providing targeted
14 advertising services to user-advertisers in this State.

15 (c) Targeted advertising services are provided in this
16 State when the location of the user-consumer of the targeted
17 advertisement is in this State pursuant to Section 1-20.

18 (d) The tax imposed in this Section shall be in addition to
19 all other occupation or privilege taxes imposed by the State
20 of Illinois or by any municipal corporation or political
21 subdivision thereof.

22 (e) The tax imposed in this Section is not imposed upon the
23 privilege of engaging in any business in Interstate Commerce
24 or otherwise, which business may not, under the Constitution
25 and Statutes of the United States, be made the subject of

1 taxation by this State.

2 (f) The tax imposed in this Section is not imposed on the
3 providing of targeted advertising services to the United
4 States or any agency or instrumentality thereof.

5 (g) The tax imposed in this Section is not imposed on the
6 providing of targeted advertising services if such services
7 are sold to a user-advertiser that is exempt from use tax by
8 operation of federal law.

9 Section 1-20. Determining the location of a user-consumer.

10 (a) The location of a user-consumer shall be determined by
11 the provider of targeted advertising services using the
12 totality of the user-consumer contact information within the
13 provider's possession or control, including both technical
14 information and nontechnical information included in the
15 contract for digital advertising services.

16 (b) There shall be a rebuttable presumption that a
17 user-consumer is located in this State if the user-consumer
18 contact information associated with a device or account on
19 record with or available to a provider indicates an Illinois
20 home address, an Illinois mailing address, or an Illinois
21 internet protocol address or other user-consumer data showing
22 "place of primary use" in Illinois as defined in the Mobile
23 Telecommunications Sourcing Conformity Act. The burden of
24 proving that a user-consumer is not located in this State is on
25 the provider. For administrative ease, a provider may create

1 reasonable categorization standards to use in analyzing
2 user-consumer data to determine if a user-consumer is located
3 in Illinois; however, its reliance on such standards does not
4 alleviate the provider's burden of proof.

5 (c) Business entities that are part of a controlled group
6 of corporations as defined in Section 1563(a) of the Internal
7 Revenue Code shall be treated as a single entity for purposes
8 of meeting the definition of a provider under this Act.

9 Section 1-25. Registration of providers of targeted
10 advertising services.

11 (a) It is unlawful for any person to engage in business as
12 a provider of targeted advertising services in this State on
13 or after January 1, 2027, without a certificate of
14 registration from the Department. A provider of targeted
15 advertising services shall register with the Department.
16 Application for a certificate of registration shall be made to
17 the Department, by electronic means, in the form and manner
18 prescribed by the Department and shall contain any reasonable
19 information the Department may require. The application shall
20 contain an acceptance of responsibility signed by the person
21 or persons who will be responsible for filing returns and
22 payment of the tax due under this Act. Upon receipt of the
23 application for a certificate of registration in proper form
24 and manner, the Department shall issue the applicant a
25 certificate of registration.

1 (b) Certificates of registration issued by the Department
2 under this Act shall be valid for a period not to exceed one
3 year after issuance unless sooner revoked, canceled, or
4 suspended as provided in this Act. A certificate of
5 registration shall automatically be renewed, subject to
6 revocation as provided by this Act, for an additional one year
7 from the date of its expiration unless otherwise notified by
8 the Department as provided in this Section.

9 (c) The Department may refuse to issue, reissue, or renew
10 a certificate of registration to any applicant for the reasons
11 set forth in Section 2505-380 of the Department of Revenue Law
12 of the Civil Administrative Code of Illinois. No certificate
13 of registration shall be issued to any person who is in default
14 to the State of Illinois for moneys due under this Act or any
15 other tax Act administered by the Department.

16 (d) Any person aggrieved by any decision of the Department
17 under this Section may, within 30 days after notice of such
18 decision, protest and request a hearing, whereupon the
19 Department shall give notice to such person of the time and
20 place fixed for such hearing and shall hold a hearing in
21 conformity with the provisions of this Act and then issue its
22 final administrative decision in the matter to such person. In
23 the absence of such a protest within 30 days, the Department's
24 decision shall become final without any further determination
25 being made or notice given. The term "administrative decision"
26 is as defined in Section 3-101 of the Code of Civil Procedure.

1 Section 1-30. Revocation of certificate of registration.

2 (a) The Department may, after notice and a hearing as
3 provided herein, revoke the certificate of registration of any
4 person who violates any of the provisions of this Act or
5 regulations promulgated pursuant to this Act. Before
6 revocation of a certificate of registration, the Department
7 shall, within 90 days after noncompliance and at least 7 days
8 prior to the date of the hearing, give the person determined to
9 be noncompliant notice in writing of the proposed revocation,
10 and on the date designated shall conduct a hearing. The lapse
11 of such 90-day period shall not preclude the Department from
12 conducting revocation proceedings at a later date if
13 necessary. Any hearing held under this Section shall be
14 conducted by the Director or by any officer or employee of the
15 Department designated by the Director.

16 (b) The Department may revoke a certificate of
17 registration for the reasons set forth in Section 2505-380 of
18 the Department of Revenue Law of the Civil Administrative Code
19 of Illinois.

20 (c) When conducting any such proceeding, the Director or
21 any officer or employee of the Department designated by the
22 Director may administer oaths, and the Department may procure
23 by its subpoena the attendance of witnesses and, by its
24 subpoena duces tecum, the production of relevant books and
25 papers. Any circuit court, upon application either of the

1 provider or of the Department, may, by order duly entered,
2 require the attendance of witnesses and the production of
3 relevant books and papers before the Department in any hearing
4 relating to the revocation of certificates of registration.
5 Upon refusal or neglect to obey the order of the court, the
6 court may compel obedience thereof by proceedings for
7 contempt.

8 (d) The Department may, by application to any circuit
9 court, obtain an injunction requiring any person who engages
10 in business as a provider under this Act to obtain a
11 certificate of registration. Upon refusal or neglect to obey
12 the order of the court, the court may compel obedience by
13 proceedings for contempt.

14 Section 1-35. Return and payment.

15 (a) Each provider of targeted advertising services shall
16 make a return to the Department on or before the 20th day of
17 each month for the preceding calendar month stating the
18 following:

19 (1) the provider's name;

20 (2) the address of the provider's principal place of
21 business and the address of the principal place of
22 business (if that is a different address) from which the
23 provider engages in the business of providing targeted
24 advertising services, including the location of the
25 provider's servers, subject to tax under this Act;

1 (3) the total gross receipts received by the provider
2 during the preceding calendar month for all targeted
3 advertising services provided that are subject to tax
4 under this Act;

5 (4) the amount of tax due, computed upon item (3) at
6 the rate stated in Section 1-15;

7 (5) deductions allowed by law;

8 (6) the signature of the provider; and

9 (7) such other information as the Department may
10 reasonably require.

11 (b) All returns required to be filed and payments required
12 to be made under this Act shall be by electronic means in the
13 form and manner authorized by the Department.

14 Any amount that is required to be shown or reported on any
15 return or other document under this Act shall, if such amount
16 is not a whole-dollar amount, be increased to the nearest
17 whole-dollar amount if the fractional part of a dollar is
18 \$0.50 or more and decreased to the nearest whole-dollar amount
19 if the fractional part of a dollar is less than \$0.50. If a
20 total amount of less than \$1 is payable, refundable, or
21 creditable, such amount shall be disregarded if it is less
22 than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

23 (c) The provider making the return provided for in this
24 Section shall, at the time of making such return, pay to the
25 Department the amount of tax imposed by this Act, less a
26 discount of 1.75% but not to exceed \$1,000 per return period,

1 which is allowed to reimburse the provider for the expenses
2 incurred in keeping records, preparing and filing returns,
3 remitting the tax, and supplying data to the Department upon
4 request. No discount may be claimed by a provider on returns
5 not timely filed and for taxes not timely remitted. No
6 discount may be claimed by a provider for any return that is
7 not filed electronically. No discount may be claimed by a
8 provider for any payment that is not made electronically.

9 (d) A provider of targeted advertising services who ceases
10 to engage in the kind of business which makes the person
11 responsible for filing returns under this Act shall file a
12 final return under this Act with the Department not more than
13 one month after discontinuing such business.

14 (e) If any payment provided for in this Section exceeds
15 the provider's liabilities under this Act, as shown on an
16 original monthly return, the Department shall, if requested by
17 the provider, issue to the provider a credit memorandum no
18 later than 30 days after the date of the request. The credit
19 evidenced by such credit memorandum may be assigned by the
20 provider to a similar provider under this Act, in accordance
21 with reasonable rules and regulations to be prescribed by the
22 Department. If no such request is made, the provider may
23 credit such excess payment against tax liability subsequently
24 to be remitted to the Department under this Act, in accordance
25 with reasonable rules and regulations prescribed by the
26 Department. If the Department subsequently determines that all

1 or any part of the credit taken was not actually due to the
2 provider, the provider's 1.75% discount shall be reduced by
3 the difference between the credit taken and that actually due,
4 and that provider shall be liable for penalties and interest
5 on such difference.

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

11 Section 1-40. Books and records. Every provider required
12 to file a return under Section 1-35 of this Act shall keep
13 books, records, papers, and other documents that adequately
14 reflect the targeted advertising services provided in this
15 State, including the information used in calculating the gross
16 receipts from providing targeted advertising services in this
17 State and the amount of tax due. Providers are required to
18 maintain records as needed to determine the location of a
19 user-consumer pursuant to Section 1-20 of this Act. The
20 Department may adopt rules that establish requirements,
21 including record forms and formats, for records required to be
22 kept and maintained by providers.

23 Books, records, papers, and documents that are required by
24 this Section to be kept shall, at all times during the usual
25 business hours of the day, be subject to inspection by the

1 Department or its duly authorized agents and employees. The
2 books, records, papers, and documents for any period with
3 respect to which the Department is authorized to issue a
4 notice of tax liability shall be preserved until the
5 expiration of that period.

6 Section 1-45. Deposit of proceeds from targeted
7 advertising services tax. The moneys received by the
8 Department from the tax imposed by this Act shall be deposited
9 into the General Revenue Fund.

10 Section 1-50. Penalties. Any provider who fails to file a
11 return, or who violates any other provision of this Act, or who
12 fails to keep books and records as required by this Act, or who
13 files a fraudulent return, or who willfully violates any rule
14 or regulation of the Department for the administration and
15 enforcement of the provisions of this Act, or any officer or
16 agent of a corporation or manager, member, or agent of a
17 limited liability company subject to this Act who signs a
18 fraudulent return filed on behalf of such corporation or
19 limited liability company, or any accountant or other agent
20 who knowingly enters false information on the return of any
21 taxpayer under this Act is guilty of a Class 3 felony.

22 A prosecution for any act in violation of this Section may
23 be commenced at any time within 5 years of the commission of
24 that act.

1 Section 1-55. Department administration and enforcement.
2 The Department shall have full power to administer and enforce
3 this Act, to collect all taxes and penalties due hereunder, to
4 dispose of taxes and penalties so collected in the manner
5 hereinafter provided, and to determine all rights to credit
6 memoranda, arising on account of the erroneous payment of tax
7 or penalty hereunder.

8 In the administration of, and compliance with, this Act,
9 the Department and persons who are subject to this Act shall
10 have the same rights, remedies, privileges, immunities,
11 powers, and duties, and be subject to the same conditions,
12 restrictions, limitations, penalties, and definitions of
13 terms, and employ the same modes of procedure, as are
14 prescribed in Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,
15 5j, 6b, 6c, 8, 9, 10, and 11 of the Retailers' Occupation Tax
16 Act and all of the provisions of the Uniform Penalty and
17 Interest Act, which are not inconsistent with this Act, as
18 fully as if those provisions were set forth herein. References
19 in the incorporated Sections of the Retailers' Occupation Tax
20 Act to retailers, to sellers, or to persons engaged in the
21 business of selling tangible personal property mean providers
22 of targeted advertising services when used in this Act.
23 References in the incorporated Sections to sales of tangible
24 personal property mean targeted advertising services subject
25 to tax under this Act when used in this Act.

1 Section 1-60. Illinois Administrative Procedure Act
2 expressly adopted. The Illinois Administrative Procedure Act
3 is hereby expressly adopted and shall apply to all
4 administrative rules and procedures of the Department of
5 Revenue under this Act, except that: (1) paragraph (b) of
6 Section 5-10 of the Illinois Administrative Procedure Act does
7 not apply to final orders, decisions, and opinions of the
8 Department; and (2) subparagraph (a)(ii) of Section 5-10 of
9 the Illinois Administrative Procedure Act does not apply to
10 forms established by the Department for use under this
11 Article.

12 Section 1-65. Rulemaking. The Department may adopt rules
13 in accordance with the Illinois Administrative Procedure Act
14 and prescribe forms relating to the administration and
15 enforcement of this Act as it deems appropriate.

16 Section 1-70. Home rule limitation. The taxation of the
17 occupation of providing targeted advertising services is an
18 exclusive power and function of the State. A home rule unit may
19 not impose a tax on the occupation of providing targeted
20 advertising services as set out in this Act. This Section is a
21 denial and limitation of home rule powers and functions under
22 subsection (g) of Section 6 of Article VII of the Illinois
23 Constitution.

1 Section 1-900. The Counties Code is amended by changing
2 Section 5-1009 as follows:

3 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

4 Sec. 5-1009. Limitation on home rule powers. Except as
5 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1006.9,
6 5-1007, and 5-1008, on and after September 1, 1990, no home
7 rule county has the authority to impose, pursuant to its home
8 rule authority, a retailers' occupation tax, service
9 occupation tax, use tax, sales tax, or other tax on the use,
10 sale, or purchase of tangible personal property based on the
11 gross receipts from such sales or the selling or purchase
12 price of said tangible personal property. Notwithstanding the
13 foregoing, this Section does not preempt any home rule imposed
14 tax such as the following: (1) a tax on alcoholic beverages,
15 whether based on gross receipts, volume sold, or any other
16 measurement; (2) a tax based on the number of units of
17 cigarettes or tobacco products; (3) a tax, however measured,
18 based on the use of a hotel or motel room or similar facility;
19 (4) a tax, however measured, on the sale or transfer of real
20 property; (5) a tax, however measured, on lease receipts; (6)
21 a tax on food prepared for immediate consumption and on
22 alcoholic beverages sold by a business which provides for on
23 premise consumption of said food or alcoholic beverages; or
24 (7) other taxes not based on the selling or purchase price or

1 gross receipts from the use, sale, or purchase of tangible
2 personal property. This Section does not preempt a home rule
3 county from imposing a tax, however measured, on the use, for
4 consideration, of a parking lot, garage, or other parking
5 facility.

6 On and after December 1, 2019, no home rule county has the
7 authority to impose, pursuant to its home rule authority, a
8 tax, however measured, on sales of aviation fuel, as defined
9 in Section 3 of the Retailers' Occupation Tax Act, unless the
10 tax revenue is expended for airport-related purposes. For
11 purposes of this Section, "airport-related purposes" has the
12 meaning ascribed in Section 6z-20.2 of the State Finance Act.
13 Aviation fuel shall be excluded from tax only for so long as
14 the revenue use requirements of 49 U.S.C. 47017(b) and 49
15 U.S.C. 47133 are binding on the county.

16 On and after the effective date of this amendatory Act of
17 the 104th General Assembly, no home rule county has the
18 authority to impose, pursuant to its home rule authority, a
19 tax, however measured, on sales of targeted advertising
20 services, as defined in Section 1-10 of the Targeted
21 Advertising Services Tax Act, an occupation tax, use tax,
22 sales tax, or other tax on the use, sale, or purchase of
23 targeted advertising services based on the gross receipts from
24 such sales or the selling or purchase price of said targeted
25 advertising services.

26 This Section is a limitation, pursuant to subsection (g)

1 of Section 6 of Article VII of the Illinois Constitution, on
2 the power of home rule units to tax. The changes made to this
3 Section by Public Act 101-10 are a denial and limitation of
4 home rule powers and functions under subsection (g) of Section
5 6 of Article VII of the Illinois Constitution.

6 (Source: P.A. 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

7 Section 1-905. The Illinois Municipal Code is amended by
8 changing Section 8-11-6a as follows:

9 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

10 Sec. 8-11-6a. Home rule municipalities; preemption of
11 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
12 8-11-6, 8-11-6b, 8-11-6c, 8-11-23, 8-11-24, and 11-74.3-6 on
13 and after September 1, 1990, no home rule municipality has the
14 authority to impose, pursuant to its home rule authority, a
15 retailer's occupation tax, service occupation tax, use tax,
16 sales tax or other tax on the use, sale or purchase of tangible
17 personal property based on the gross receipts from such sales
18 or the selling or purchase price of said tangible personal
19 property. Notwithstanding the foregoing, this Section does not
20 preempt any home rule imposed tax such as the following: (1) a
21 tax on alcoholic beverages, whether based on gross receipts,
22 volume sold or any other measurement; (2) a tax based on the
23 number of units of cigarettes or tobacco products (provided,
24 however, that a home rule municipality that has not imposed a

1 tax based on the number of units of cigarettes or tobacco
2 products before July 1, 1993, shall not impose such a tax after
3 that date); (3) a tax, however measured, based on the use of a
4 hotel or motel room or similar facility; (4) a tax, however
5 measured, on the sale or transfer of real property; (5) a tax,
6 however measured, on lease receipts; (6) a tax on food
7 prepared for immediate consumption and on alcoholic beverages
8 sold by a business which provides for on premise consumption
9 of said food or alcoholic beverages; or (7) other taxes not
10 based on the selling or purchase price or gross receipts from
11 the use, sale or purchase of tangible personal property. This
12 Section does not preempt a home rule municipality with a
13 population of more than 2,000,000 from imposing a tax, however
14 measured, on the use, for consideration, of a parking lot,
15 garage, or other parking facility. This Section is not
16 intended to affect any existing tax on food and beverages
17 prepared for immediate consumption on the premises where the
18 sale occurs, or any existing tax on alcoholic beverages, or
19 any existing tax imposed on the charge for renting a hotel or
20 motel room, which was in effect January 15, 1988, or any
21 extension of the effective date of such an existing tax by
22 ordinance of the municipality imposing the tax, which
23 extension is hereby authorized, in any non-home rule
24 municipality in which the imposition of such a tax has been
25 upheld by judicial determination, nor is this Section intended
26 to preempt the authority granted by Public Act 85-1006. On and

1 after December 1, 2019, no home rule municipality has the
2 authority to impose, pursuant to its home rule authority, a
3 tax, however measured, on sales of aviation fuel, as defined
4 in Section 3 of the Retailers' Occupation Tax Act, unless the
5 tax is not subject to the revenue use requirements of 49 U.S.C.
6 47107(b) and 49 U.S.C. 47133, or unless the tax revenue is
7 expended for airport-related purposes. For purposes of this
8 Section, "airport-related purposes" has the meaning ascribed
9 in Section 6z-20.2 of the State Finance Act. Aviation fuel
10 shall be excluded from tax only if, and for so long as, the
11 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
12 47133 are binding on the municipality. On and after the
13 effective date of this amendatory Act of the 104th General
14 Assembly, no home rule municipality has the authority to
15 impose, pursuant to its home rule authority, a tax, however
16 measured, on sales of targeted advertising services, as
17 defined in Section 1-10 of the Targeted Advertising Services
18 Tax Act, an occupation tax, use tax, sales tax, or other tax on
19 the use, sale, or purchase of targeted advertising services
20 based on the gross receipts from such sales or the selling or
21 purchase price of said targeted advertising services. This
22 Section is a limitation, pursuant to subsection (g) of Section
23 6 of Article VII of the Illinois Constitution, on the power of
24 home rule units to tax. The changes made to this Section by
25 Public Act 101-10 are a denial and limitation of home rule
26 powers and functions under subsection (g) of Section 6 of

1 Article VII of the Illinois Constitution.

2 (Source: P.A. 103-781, eff. 8-5-24.)

3 ARTICLE 3

4 Section 3-5. Short title. This Article may be cited as the
5 Digital Asset Privilege Tax Act. References in this Article to
6 "this Act" mean this Article.

7 Section 3-15. Definitions. In this Act:

8 "Customer" means a person receiving digital asset business
9 activity from a digital asset broker for valuable
10 consideration.

11 "Department" means the Department of Revenue.

12 "Digital asset" has the meaning set forth in Section 1-5
13 of the Digital Assets and Consumer Protection Act.

14 "Digital asset business activity" means any single
15 occurrence of exchanging, transferring, or storing a digital
16 asset as part of a business or on behalf of a customer who has
17 entered into an agreement with a business for the provision of
18 those services.

19 "Digital asset broker" means a person, as defined in
20 Section 6045(c)(1)(D) of the Internal Revenue Code and any
21 regulations as the Secretary of the Treasury may prescribe,
22 who is engaged in the business of providing digital asset
23 business activity to customers in this State.

1 "Digital asset broker maintaining a place of business in
2 this State" means:

3 (1) Any digital asset broker having or maintaining
4 within this State, directly or by a subsidiary, an office,
5 distribution facilities, transmission facilities, sales
6 office, warehouse or other place of business, or any agent
7 or other representative operating within this State under
8 the authority of the digital asset broker or its
9 subsidiary, irrespective of whether the place of business
10 or agent or other representative is located here
11 permanently or temporarily, or whether the digital asset
12 broker or subsidiary is licensed to do business in this
13 State.

14 (2) Any digital asset broker who is headquartered
15 outside of this State and who sells digital asset business
16 activity to Illinois customers remotely if the digital
17 asset broker's gross receipts from digital asset business
18 activity sales to Illinois customers are \$100,000 or more.

19 The digital asset broker shall determine on a
20 quarterly basis, ending on the last day of March, June,
21 September, and December, whether the digital asset broker
22 meets the threshold in this paragraph (2) for the
23 preceding 12-month period. If the broker meets the
24 threshold for a 12-month period, the broker is considered
25 a digital asset broker maintaining a place of business in
26 this State and is required to collect and remit the tax

1 imposed under this Act and file returns for one year. At
2 the end of the one-year period, the broker shall determine
3 whether the broker met the threshold during the preceding
4 12-month period. If the broker met the threshold for the
5 preceding 12-month period, the broker is considered a
6 broker maintaining a place of business in this State and
7 is required to collect and remit the tax imposed under
8 this Act and file returns for the subsequent year. If, at
9 the end of a one-year period, a broker that was required to
10 collect and remit the tax imposed under this Act
11 determines that the broker did not meet the threshold
12 during the preceding 12-month period, the broker shall
13 subsequently determine on a quarterly basis, ending on the
14 last day of March, June, September, and December, whether
15 the broker meets the threshold for the preceding 12-month
16 period.

17 "Exchange", when used as a verb, means to exchange, buy,
18 sell, trade, or convert, on behalf of a customer, either of the
19 following:

20 (1) a digital asset for fiat currency or one or more
21 forms of digital assets; and

22 (2) fiat currency for one or more forms of digital
23 assets.

24 "Exchange" does not include buying, selling, or trading
25 digital assets for a person's own account in a principal
26 capacity.

1 "Fiat currency" means a medium of exchange or unit of
2 value issued by the United States or a foreign government that
3 is designated as legal tender in its country of issuance.

4 "Person" means any natural individual, firm, partnership,
5 association, corporation, limited liability company, or trust;
6 any receiver, executor, trustee, guardian, or other
7 representative appointed by order of any court; or any other
8 entity. Unless expressly provided otherwise, the term "person"
9 does not include a governmental entity or a unit or
10 instrumentality of a government entity.

11 "Purchase price" means the consideration paid for the
12 purchase of digital asset business activity from a digital
13 asset broker, valued in money, whether received in money or
14 otherwise, including cash, gift cards, credits, and property,
15 and shall be determined without any deduction on account of
16 the cost of materials used, labor or service costs, or any
17 other expense whatsoever. "Purchase price" includes any and
18 all charges that the customer pays related to or incidental to
19 the receipt of digital asset business activity.

20 "Sale" means an agreement between a digital asset broker
21 and a customer for the broker to provide the customer with a
22 digital asset business activity for valuable consideration. If
23 the digital asset business activity is sold as a bundle of
24 separate services, each service shall constitute an individual
25 sale for the purposes of this Act.

26 "Store", "storage", and "storing", except in the phrase

1 "store of value", means to store, hold, or maintain custody or
2 control of a digital asset on behalf of a customer by a digital
3 asset broker.

4 "Transfer" means to transfer or transmit a digital asset
5 on behalf of a customer, including by doing any of the
6 following:

7 (1) crediting the digital asset to the account or
8 storage of another person;

9 (2) moving the digital asset from one account or
10 storage of a customer to another account or storage of the
11 same customer; and

12 (3) relinquishing custody or control of a digital
13 asset to another person.

14 Section 3-20. Tax imposed.

15 (a) Beginning January 1, 2027, a tax is imposed upon the
16 privilege of receiving any digital asset business activity by
17 a customer in this State at the rate of 0.2% of the value of
18 the digital asset to which the digital asset business activity
19 relates. It shall be the duty of the digital asset broker
20 making or effectuating the sale of the digital asset business
21 activity to collect the tax provided by this Section on each
22 sale.

23 (b) The tax imposed in this Section shall be in addition to
24 all other occupation or privilege taxes imposed by the State
25 of Illinois or by any municipal corporation or political

1 subdivision thereof.

2 (c) The tax imposed in this Section is not imposed upon the
3 privilege of engaging in any business in Interstate Commerce
4 or otherwise, which business may not, under the Constitution
5 and Statutes of the United States, be made the subject of
6 taxation by this State.

7 (d) The tax imposed in this Section is not imposed on the
8 providing of services to the United States or any agency or
9 instrumentality thereof.

10 Section 3-25. Sourcing. As used in this Act, the term "in
11 this State" means at a physical location within this State for
12 a sale occurring in person. For a sale occurring
13 electronically or by phone, there shall be a rebuttable
14 presumption that the customer requesting the sale is located
15 in this State if the customer's contact information associated
16 with a device or account on record with or available to a
17 digital asset broker indicates an Illinois home address, an
18 Illinois mailing address, or an Illinois internet protocol
19 address or other data showing "place of primary use" in
20 Illinois, as defined in the Mobile Telecommunications Sourcing
21 Conformity Act. The burden of proving that a customer is not
22 located in this State is on the digital asset broker. For
23 administrative ease, a digital asset broker may create
24 reasonable categorization standards to use in analyzing data
25 to determine if a customer is located in Illinois; however,

1 its reliance on such standards does not alleviate the digital
2 asset broker's burden of proof.

3 Section 3-30. Registration of digital asset brokers.

4 (a) It is unlawful for any person to engage in business as
5 a digital asset broker in this State on or after January 1,
6 2027, without a certificate of registration from the
7 Department. A digital asset broker shall register with the
8 Department. Application for a certificate of registration
9 shall be made to the Department, by electronic means, in the
10 form and manner prescribed by the Department and shall contain
11 any reasonable information the Department may require. The
12 application shall contain an acceptance of responsibility
13 signed by the person or persons who will be responsible for
14 filing returns and payment of the tax due under this Act. Upon
15 receipt of the application for a certificate of registration
16 in proper form and manner, the Department shall issue the
17 applicant a certificate of registration.

18 (b) Certificates of registration issued by the Department
19 under this Act shall be valid for a period not to exceed one
20 year after issuance unless sooner revoked, canceled, or
21 suspended as provided in this Act. A certificate of
22 registration shall automatically be renewed, subject to
23 revocation as provided by this Act, for an additional one year
24 from the date of its expiration unless otherwise notified by
25 the Department as provided in this Section.

1 (c) The Department may refuse to issue, reissue, or renew
2 a certificate of registration to any applicant for the reasons
3 set forth in Section 2505-380 of the Department of Revenue Law
4 of the Civil Administrative Code of Illinois. No certificate
5 of registration shall be issued to any person who is in default
6 to the State of Illinois for moneys due under this Act or any
7 other tax Act administered by the Department.

8 (d) Any person aggrieved by any decision of the Department
9 under this Section may, within 30 days after notice of such
10 decision, protest and request a hearing, whereupon the
11 Department shall give notice to such person of the time and
12 place fixed for such hearing and shall hold a hearing in
13 conformity with the provisions of this Act and then issue its
14 final administrative decision in the matter to such person. In
15 the absence of such a protest within 30 days, the Department's
16 decision shall become final without any further determination
17 being made or notice given. The term "administrative decision"
18 is as defined in Section 3-101 of the Code of Civil Procedure.

19 Section 3-35. Collection of tax.

20 (a) Any digital asset broker maintaining a place of
21 business in this State shall collect the tax imposed by this
22 Act from the customer at the rate stated in Section 3-20 for
23 the privilege of receiving digital asset business activity in
24 this State and shall remit the tax to the Department as
25 provided in Section 3-40 of this Act. Any such digital asset

1 broker shall be liable for the tax whether or not the tax has
2 been collected by the digital asset broker. To the extent that
3 a digital asset broker that is required to collect the tax
4 imposed by this Act has actually collected that tax, such tax
5 is held in trust for the benefit of the Department.

6 (b) All digital asset business activities provided to a
7 customer that are subject to tax under this Act are presumed
8 subject to tax collection. Digital asset brokers shall collect
9 the tax from customers by adding the tax to the amount of the
10 purchase price received from the customer for the digital
11 asset business activity subject to tax under this Act. The tax
12 imposed by the Act shall, when collected, be stated as a
13 distinct item separate and apart from the purchase price of
14 the digital asset business activity subject to tax under this
15 Act. However, if it is not possible to state the tax
16 separately, the Department may, by rule, exempt the purchase
17 from this requirement if customers are notified by language on
18 the invoice or other written notification that the tax is
19 included in the purchase price.

20 (c) Every digital asset broker shall, when collecting the
21 tax as provided in Section 3-20 of this Act from the customer,
22 give to the customer (if demanded by the customer) a receipt
23 for the tax in the manner and form prescribed by the
24 Department. The receipt shall be sufficient to relieve the
25 customer from further liability for the tax to which the
26 receipt may refer.

1 (d) The tax imposed by this Act shall constitute a debt of
2 the customer to the digital asset broker who provides such
3 taxable activity until paid, and, if unpaid, is recoverable at
4 law in the same manner as the original charge for such taxable
5 activity.

6 (e) If any digital asset broker erroneously collects tax
7 or collects more from the customer than the customer's
8 liability for the sale, the customer shall have a legal right
9 to claim a refund of such amount from such digital asset
10 broker. However, if such amount is not refunded to the
11 customer for any reason, the digital asset broker is liable to
12 pay such amount to the Department.

13 (f) Any person purchasing a digital asset business
14 activity subject to tax under this Act as to which there has
15 been no charge made to the customer of the tax imposed by
16 Section 3-20 shall make payment of the tax imposed by Section
17 3-20 in the form and manner provided by the Department not
18 later than the 20th day of the month following the month of
19 payment for the digital asset business activity.

20 Section 3-40. Return and payment.

21 (a) Each digital asset broker shall make a return to the
22 Department on or before the 20th day of each month for the
23 preceding calendar month stating the following:

24 (1) the digital asset broker's name;

25 (2) the address of the digital asset broker's

1 principal place of business;

2 (3) the amount of digital asset business sales made by
3 the digital asset broker during the preceding calendar
4 month;

5 (4) the amount of tax due, computed as set forth in
6 this Act;

7 (5) the signature of the digital asset broker; and

8 (6) such other information as the Department may
9 reasonably require.

10 (b) All returns required to be filed and payments required
11 to be made under this Act shall be by electronic means in the
12 form and manner authorized by the Department.

13 (c) Any amount that is required to be shown or reported on
14 any return or other document under this Act shall, if such
15 amount is not a whole-dollar amount, be increased to the
16 nearest whole-dollar amount if the fractional part of a dollar
17 is \$0.50 or more and decreased to the nearest whole-dollar
18 amount if the fractional part of a dollar is less than \$0.50.
19 If a total amount of less than \$1 is payable, refundable, or
20 creditable, such amount shall be disregarded if it is less
21 than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

22 (d) A digital asset broker who ceases to engage in the kind
23 of business which makes the person responsible for filing
24 returns under this Act shall file a final return under this Act
25 with the Department not more than one month after
26 discontinuing such business.

1 (e) If any payment provided for in this Section exceeds
2 the digital asset broker's liabilities under this Act, as
3 shown on an original monthly return, the Department shall, if
4 requested by the digital asset broker, issue to the digital
5 asset broker a credit memorandum no later than 30 days after
6 the date of the request. The credit evidenced by such credit
7 memorandum may be assigned by the digital asset broker to a
8 similar digital asset broker under this Act, in accordance
9 with reasonable rules and regulations to be prescribed by the
10 Department. If no such request is made, the digital asset
11 broker may credit such excess payment against tax liability
12 subsequently to be remitted to the Department under this Act,
13 in accordance with reasonable rules and regulations prescribed
14 by the Department. If the Department subsequently determines
15 that all or any part of the credit taken was not actually due
16 to the digital asset broker, that digital asset broker shall
17 be liable for penalties and interest on such difference.

18 (f) If a digital asset broker fails to sign a return within
19 30 days after the proper notice and demand for signature by the
20 Department is received by the digital asset broker, the return
21 shall be considered valid, and any amount shown to be due on
22 the return shall be deemed assessed.

23 Section 3-45. Books and records. Every digital asset
24 broker required to file a return under this Act shall keep
25 books, records, papers, and other documents that adequately

1 reflect digital asset business activity sold in this State,
2 including the information used in calculating the amount of
3 tax due. Digital asset brokers are required to maintain
4 records as needed to determine the location of a sale pursuant
5 to Section 25 of this Act. The Department may adopt rules that
6 establish requirements, including record forms and formats,
7 for records required to be kept and maintained by digital
8 asset brokers.

9 Books, records, papers, and documents that are required by
10 this Section to be kept shall, at all times during the usual
11 business hours of the day, be subject to inspection by the
12 Department or its duly authorized agents and employees. The
13 books, records, papers, and documents for any period with
14 respect to which the Department is authorized to issue a
15 notice of tax liability shall be preserved until the
16 expiration of that period.

17 Section 3-50. Deposits of proceeds The moneys received by
18 the Department from the tax imposed by this Act shall be
19 deposited into the General Revenue Fund.

20 Section 3-55. Criminal penalties. Any digital asset broker
21 who fails to file a return, or who violates any other provision
22 of this Act, or who fails to keep books and records as required
23 by this Act, or who files a fraudulent return, or who willfully
24 violates any rule or regulation of the Department for the

1 administration and enforcement of the provisions of this Act,
2 or any officer or agent of a corporation or manager, member, or
3 agent of a limited liability company subject to this Act who
4 signs a fraudulent return filed on behalf of such corporation
5 or limited liability company, or any accountant or other agent
6 who knowingly enters false information on the return of any
7 taxpayer under this Act is guilty of a Class 3 felony. A
8 prosecution for any act in violation of this Section may be
9 commenced at any time within 5 years of the commission of that
10 act.

11 Section 3-60. Department administration and enforcement.
12 The Department shall have full power to administer and enforce
13 this Act, to collect all taxes and penalties due hereunder, to
14 dispose of taxes and penalties so collected in the manner
15 hereinafter provided, and to determine all rights to credit
16 memoranda, arising on account of the erroneous payment of tax
17 or penalty hereunder.

18 In the administration of, and compliance with, this Act,
19 the Department and persons who are subject to this Act shall
20 have the same rights, remedies, privileges, immunities,
21 powers, and duties, and be subject to the same conditions,
22 restrictions, limitations, penalties, and definitions of
23 terms, and employ the same modes of procedure, as are
24 prescribed in Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,
25 5j, 6b, 6c, 8, 9, 10, and 11 of the Retailers' Occupation Tax

1 Act and all of the provisions of the Uniform Penalty and
2 Interest Act, which are not inconsistent with this Act, as
3 fully as if those provisions were set forth herein. References
4 in the incorporated Sections of the Retailers' Occupation Tax
5 Act to retailers, to sellers, or to persons engaged in the
6 business of selling tangible personal property mean digital
7 asset brokers when used in this Act. References in the
8 incorporated Sections to sales of tangible personal property
9 mean sale of digital asset business activity subject to tax
10 under this Act when used in this Act.

11 Section 3-65. The Illinois Administrative Procedure Act.
12 The Illinois Administrative Procedure Act is hereby expressly
13 adopted and shall apply to all administrative rules and
14 procedures of the Department under this Act, except that: (1)
15 paragraph (b) of Section 5-10 of the Illinois Administrative
16 Procedure Act does not apply to final orders, decisions, and
17 opinions of the Department; and (2) subparagraph (a)(ii) of
18 Section 5-10 of the Illinois Administrative Procedure Act does
19 not apply to forms established by the Department for use under
20 this Article.

21 Section 3-70. Rulemaking. The Department may adopt rules
22 in accordance with the Illinois Administrative Procedure Act
23 and prescribe forms relating to the administration and
24 enforcement of this Act as it deems appropriate.

ARTICLE 5

Section 5-5. The Business Corporation Act of 1983 is amended by changing Section 15.05 and by adding Section 15.98 as follows:

(805 ILCS 5/15.05) (from Ch. 32, par. 15.05)

Sec. 15.05. Fees, franchise taxes, and charges to be collected by Secretary of State. The Secretary of State shall charge and collect in accordance with the provisions of this Act:

(a) Fees for filing documents.

(b) License fees.

(c) Franchise taxes.

(d) Miscellaneous charges.

(e) Fees for filing annual reports.

(f) Social media platform fees.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 5/15.98 new)

Sec. 15.98. Social media platform fee.

(a) Beginning January 1, 2027 and monthly thereafter within 14 days of the start of each month, each social media platform shall submit to the Secretary of State a report of the average number of monthly users of the platform located in the

1 State of Illinois.

2 (b) Beginning January 1, 2027, the following fees are
3 imposed on social media platforms based on the number of
4 Illinois users from whom the social media platform collects
5 data within a month. The fees must be paid to the Secretary of
6 State no later than the 14th day of the first succeeding
7 calendar month:

8 (1) social media platforms with over 100,000 Illinois
9 users but not more than 500,000 Illinois users shall pay
10 \$0.10 per month on the number of Illinois users over
11 100,000 but not more than 500,000;

12 (2) social media platforms with over 500,000 Illinois
13 users but not more than 1,000,000 Illinois users shall pay
14 \$40,000, plus \$0.25 per month multiplied by the number of
15 Illinois users over 500,000 but not more than 1,000,000;
16 and

17 (3) social media platforms with over 1,000,000
18 Illinois users shall pay \$165,000, plus \$0.50 per month
19 multiplied by the number of Illinois users over 1,000,000.

20 If a social media platform fails or refuses to pay the
21 monthly fee to the Secretary of State, there shall be added to
22 the fee an amount equal to 100% of the unpaid fee and any
23 penalties each month until the fee is paid.

24 (c) The Secretary of State shall deposit a portion of the
25 fees collected pursuant to this Section, in the amount of
26 \$170,000 per month, into the Secretary of State Special

1 Services Fund. The Secretary of State shall deposit the
2 remainder of the fees collected pursuant to this Section into
3 the Common School Fund. The Secretary of State shall pay the
4 funds to the State Comptroller within 30 days after receipt of
5 the funds.

6 (d) As used in this Section:

7 "Consumer Price Index" means the index published by the
8 Bureau of Labor Statistics of the United States Department of
9 Labor that measures the average change in prices of goods and
10 services purchased by all urban consumers, United States city
11 average, all items, 1982-84=100.

12 "Social media platform" means a website or internet medium
13 that:

14 (1) permits a person to become a registered user,
15 establish an account, or create a profile for the purpose
16 of allowing users to create, share, and view
17 user-generated content through that account or profile;

18 (2) enables one or more users to generate content that
19 can be viewed by other users of the medium; and

20 (3) primarily serves as a medium for users to interact
21 with content generated by other users of the medium.

22 "Social media platform" does not include a not-for-profit
23 organization, as defined in the General Not For Profit
24 Corporation Act of 1986.

25 (e) On January 1, 2028 and on each January 1 thereafter,
26 the fees charged under this Section shall each be increased by

1 an amount equal to the annual unadjusted percentage increase
2 in the Consumer Price Index for the 12-month period ending
3 with the March preceding each July 1, including all previous
4 adjustments, rounded down to the nearest whole number.

5 (f) A social media platform shall not vary the cost of
6 access, features, services, or in-app purchases for any user
7 based on the geographic origin of the user's login, activity,
8 or account registration for the purposes of recouping the fee
9 under this Section. A violation of this subsection regarding
10 users' access to features and services constitutes an injury
11 to that individual. Any individual alleging a violation of
12 this subsection (f) by a social media platform may bring a
13 civil action in the circuit court. An individual protected by
14 this subsection shall not be required, as a condition of
15 service or otherwise, to accept mandatory arbitration of a
16 claim arising under this subsection.

17 (g) The Secretary of State may order a social media
18 platform to pay the required fees to the Secretary of State,
19 determine the amount of the fee required to be paid to the
20 Secretary of State by a social media platform, determine any
21 delinquency by a social media platform in the fees to be paid
22 to the Secretary of State and to order such delinquency be
23 remedied, and audit any social media platform to enforce the
24 provisions of this Section, including to ensure that a social
25 media platform has paid the required fee and any penalties or
26 other sums owed. This subsection may be enforced by the

1 Attorney General or a State's Attorney.

2 ARTICLE 10

3 Section 10-5. The Illinois Income Tax Act is amended by
4 changing Sections 207 and 1101 as follows:

5 (35 ILCS 5/207) (from Ch. 120, par. 2-207)

6 Sec. 207. Net Losses.

7 (a) If after applying all of the (i) modifications
8 provided for in paragraph (2) of Section 203(b), paragraph (2)
9 of Section 203(c) and paragraph (2) of Section 203(d) and (ii)
10 the allocation and apportionment provisions of Article 3 of
11 this Act and subsection (c) of this Section, the taxpayer's
12 net income results in a loss;

13 (1) for any taxable year ending prior to December 31,
14 1999, such loss shall be allowed as a carryover or
15 carryback deduction in the manner allowed under Section
16 172 of the Internal Revenue Code;

17 (2) for any taxable year ending on or after December
18 31, 1999 and prior to December 31, 2003, such loss shall be
19 allowed as a carryback to each of the 2 taxable years
20 preceding the taxable year of such loss and shall be a net
21 operating loss carryover to each of the 20 taxable years
22 following the taxable year of such loss;

23 (3) for any taxable year ending on or after December

1 31, 2003 and prior to December 31, 2021, such loss shall be
2 allowed as a net operating loss carryover to each of the 12
3 taxable years following the taxable year of such loss,
4 except as provided in subsection (d); and

5 (4) for any taxable year ending on or after December
6 31, 2021, and for any net loss incurred in a taxable year
7 prior to a taxable year ending on or after December 31,
8 2021 for which the statute of limitation for utilization
9 of such net loss has not expired, such loss shall be
10 allowed as a net operating loss carryover to each of the 20
11 taxable years following the taxable year of such loss,
12 except as provided in subsection (d).

13 (a-5) Election to relinquish carryback and order of
14 application of losses.

15 (A) For losses incurred in tax years ending prior
16 to December 31, 2003, the taxpayer may elect to
17 relinquish the entire carryback period with respect to
18 such loss. Such election shall be made in the form and
19 manner prescribed by the Department and shall be made
20 by the due date (including extensions of time) for
21 filing the taxpayer's return for the taxable year in
22 which such loss is incurred, and such election, once
23 made, shall be irrevocable.

24 (B) The entire amount of such loss shall be
25 carried to the earliest taxable year to which such
26 loss may be carried. The amount of such loss which

1 shall be carried to each of the other taxable years
2 shall be the excess, if any, of the amount of such loss
3 over the sum of the deductions for carryback or
4 carryover of such loss allowable for each of the prior
5 taxable years to which such loss may be carried.

6 (b) Any loss determined under subsection (a) of this
7 Section must be carried back or carried forward in the same
8 manner for purposes of subsections (a) and (b) of Section 201
9 of this Act as for purposes of subsections (c) and (d) of
10 Section 201 of this Act.

11 (c) Notwithstanding any other provision of this Act, for
12 each taxable year ending on or after December 31, 2008, for
13 purposes of computing the loss for the taxable year under
14 subsection (a) of this Section and the deduction taken into
15 account for the taxable year for a net operating loss
16 carryover under paragraphs (1), (2), and (3) of subsection (a)
17 of this Section, the loss and net operating loss carryover
18 shall be reduced in an amount equal to the reduction to the net
19 operating loss and net operating loss carryover to the taxable
20 year, respectively, required under Section 108(b)(2)(A) of the
21 Internal Revenue Code, multiplied by a fraction, the numerator
22 of which is the amount of discharge of indebtedness income
23 that is excluded from gross income for the taxable year (but
24 only if the taxable year ends on or after December 31, 2008)
25 under Section 108(a) of the Internal Revenue Code and that
26 would have been allocated and apportioned to this State under

1 Article 3 of this Act but for that exclusion, and the
2 denominator of which is the total amount of discharge of
3 indebtedness income excluded from gross income under Section
4 108(a) of the Internal Revenue Code for the taxable year. The
5 reduction required under this subsection (c) shall be made
6 after the determination of Illinois net income for the taxable
7 year in which the indebtedness is discharged.

8 (d) In the case of a corporation (other than a Subchapter S
9 corporation):

10 (1) no carryover deduction shall be allowed under this
11 Section for any taxable year ending after December 31,
12 2010 and prior to December 31, 2012;

13 (2) no carryover deduction shall exceed \$100,000 for
14 any taxable year ending on or after December 31, 2012 and
15 prior to December 31, 2014 and for any taxable year ending
16 on or after December 31, 2021 and prior to December 31,
17 2024; and

18 (3) no carryover deduction shall exceed \$500,000 for
19 any taxable year ending on or after December 31, 2024 and
20 prior to December 31, 2027.

21 (4) no carryover deduction shall exceed 15% of the
22 amount of net income computed under Section 202 without
23 regard to the deduction allowed by this Section or
24 \$500,000, whichever is greater, for any taxable year
25 ending on or after December 31, 2027, and before December
26 31, 2028;

1 (5) no carryover deduction shall exceed 30% of the
2 amount of net income computed under Section 202 without
3 regard to the deduction allowed by this Section or
4 \$500,000, whichever is greater, for any taxable year
5 ending on or after December 31, 2028, and before December
6 31, 2029;

7 (6) no carryover deduction shall exceed 50% of the
8 amount of net income computed under Section 202 without
9 regard to the deduction allowed by this Section or
10 \$500,000, whichever is greater, for any taxable year
11 ending on or after December 31, 2029, and before December
12 31, 2030;

13 (7) no carryover deduction shall exceed 65% of the
14 amount of net income computed under Section 202 without
15 regard to the deduction allowed by this Section or
16 \$500,000, whichever is greater, for any taxable year
17 ending on or after December 31, 2030 and before December
18 31, 2031;

19 (8) no carryover deduction shall exceed 80% of the
20 amount of net income computed under Section 202 without
21 regard to the deduction allowed by this Section or
22 \$500,000, whichever is greater, for any taxable year
23 ending on or after December 31, 2031.

24 For the purposes of determining the taxable years to which
25 a net loss may be carried under subsection (a) of this Section,
26 no taxable year for which a deduction is disallowed under this

1 subsection, or for which one of the restrictions in this
2 subsection applies ~~the deduction would exceed \$100,000 or~~
3 ~~\$500,000, as applicable, if not for this subsection,~~ shall be
4 counted.

5 (e) In the case of a residual interest holder in a real
6 estate mortgage investment conduit subject to Section 860E of
7 the Internal Revenue Code, the net loss in subsection (a)
8 shall be equal to:

9 (1) the amount computed under subsection (a), without
10 regard to this subsection (e), or if that amount is
11 positive, zero;

12 (2) minus an amount equal to the amount computed under
13 subsection (a), without regard to this subsection (e),
14 minus the amount that would be computed under subsection
15 (a) if the taxpayer's federal taxable income were computed
16 without regard to Section 860E of the Internal Revenue
17 Code and without regard to this subsection (e).

18 The modification in this subsection (e) is exempt from the
19 provisions of Section 250.

20 (Source: P.A. 102-16, eff. 6-17-21; 102-669, eff. 11-16-21;
21 103-592, eff. 6-7-24.)

22 (35 ILCS 5/1101) (from Ch. 120, par. 11-1101)

23 Sec. 1101. Lien for Tax.

24 (a) If any person liable to pay any tax neglects or refuses
25 to pay the same after demand, the amount (including any

1 interest, additional amount, addition to tax, or assessable
2 penalty, together with any costs that may accrue in addition
3 thereto) shall be a lien in favor of the State of Illinois upon
4 all property and rights to property, whether real or personal,
5 belonging to such person.

6 (b) Unless another date is specifically fixed by law, the
7 lien imposed by subsection (a) of this Section shall arise at
8 the time the assessment is made and shall continue until the
9 liability for the amount so assessed (or a judgment against
10 the taxpayer arising out of such liability) is satisfied or
11 becomes unenforceable by reason of lapse of time.

12 (c) Deficiency procedure. If the lien arises from an
13 assessment pursuant to a notice of deficiency, such lien shall
14 not attach and the notice referred to in this Section shall not
15 be filed until all proceedings in court for review of such
16 assessment have terminated or the time for the taking thereof
17 has expired without such proceedings being instituted. If a
18 late discretionary hearing has been granted pursuant to
19 subsection (d) of Section 908 of this Act after a lien has
20 attached, that lien shall remain in full force except to the
21 extent to which the final assessment may be reduced by a
22 revised final assessment following the hearing or review.

23 (d) Notice of lien. The lien created by assessment shall
24 terminate unless a notice of lien is filed, as provided in
25 Section 1103 hereof, within 3 years from the date all
26 proceedings in court for the review of such assessment have

1 terminated or the time for the taking thereof has expired
2 without such proceedings being instituted. Where the lien
3 results from the filing of a return without payment of the tax
4 or penalty shown therein to be due, the lien shall terminate
5 unless a notice of lien is filed within 3 years from the date
6 such return was filed with the Department. For the purposes of
7 this subsection (d), a tax return filed before the last day
8 prescribed by law, including any extension thereof, shall be
9 deemed to have been filed on such last day. The time limitation
10 period on the Department's right to file a notice of lien shall
11 not run (1) during any period of time in which the order of any
12 court has the effect of enjoining or restraining the
13 Department from filing such notice of lien, or (2) during the
14 term of a repayment plan that taxpayer has entered into with
15 the Department, as long as taxpayer remains in compliance with
16 the terms of the repayment plan.

17 (Source: P.A. 97-507, eff. 8-23-11; 98-446, eff. 8-16-13.)

18 ARTICLE 15

19 Section 15-5. The Motor Fuel Tax Law is amended by
20 changing Section 2 as follows:

21 (35 ILCS 505/2) (from Ch. 120, par. 418)

22 Sec. 2. A tax is imposed on the privilege of operating
23 motor vehicles upon the public highways and recreational-type

1 watercraft upon the waters of this State.

2 (a) Prior to August 1, 1989, the tax is imposed at the rate
3 of 13 cents per gallon on all motor fuel used in motor vehicles
4 operating on the public highways and recreational type
5 watercraft operating upon the waters of this State. Beginning
6 on August 1, 1989 and until January 1, 1990, the rate of the
7 tax imposed in this paragraph shall be 16 cents per gallon.
8 Beginning January 1, 1990 and until July 1, 2019, the rate of
9 tax imposed in this paragraph, including the tax on compressed
10 natural gas, shall be 19 cents per gallon. Beginning July 1,
11 2019 and until July 1, 2020, the rate of tax imposed in this
12 paragraph shall be 38 cents per gallon. Beginning July 1, 2020
13 and until July 1, 2021, the rate of tax imposed in this
14 paragraph shall be 38.7 cents per gallon. Beginning July 1,
15 2021 and until January 1, 2023, the rate of tax imposed in this
16 paragraph shall be 39.2 cents per gallon. On January 1, 2023,
17 the rate of tax imposed in this paragraph shall be increased by
18 an amount equal to the percentage increase, if any, in the
19 Consumer Price Index for the 12 months ending in September of
20 2022. On July 1, 2023, and on July 1 of each subsequent year,
21 except for the time period beginning July 1, 2026, and ending
22 on June 30, 2027, the rate of tax imposed in this paragraph
23 shall be increased by an amount equal to the percentage
24 increase, if any, in the Consumer Price Index for the 12 months
25 ending in March of the year in which the increase takes place.
26 The percentage increase in the Consumer Price Index shall be

1 calculated as follows: (1) calculate the average Consumer
2 Price Index for the full 12 months ending in March of the year
3 in which the increase takes place; (2) calculate the average
4 Consumer Price Index for the full 12 months ending in March of
5 the year immediately preceding the year in which the increase
6 takes place; (3) calculate the percentage increase, if any, in
7 the current-year average determined under item (1) over the
8 preceding-year average determined under item (2). The rate
9 shall be rounded to the nearest one-tenth of one cent.

10 (a-5) Beginning on July 1, 2022 and through December 31,
11 2022, each retailer of motor fuel shall cause the following
12 notice to be posted in a prominently visible place on each
13 retail dispensing device that is used to dispense motor fuel
14 in the State of Illinois: "As of July 1, 2022, the State of
15 Illinois has suspended the inflation adjustment to the motor
16 fuel tax through December 31, 2022. The price on this pump
17 should reflect the suspension of the tax increase." The notice
18 shall be printed in bold print on a sign that is no smaller
19 than 4 inches by 8 inches. The sign shall be clearly visible to
20 customers. Any retailer who fails to post or maintain a
21 required sign through December 31, 2022 is guilty of a petty
22 offense for which the fine shall be \$500 per day per each
23 retail premises where a violation occurs.

24 (b) Until July 1, 2019, the tax on the privilege of
25 operating motor vehicles which use diesel fuel, liquefied
26 natural gas, or propane shall be the rate according to

1 paragraph (a) plus an additional 2 1/2 cents per gallon.
2 Beginning July 1, 2019, the tax on the privilege of operating
3 motor vehicles which use diesel fuel, liquefied natural gas,
4 or propane shall be the rate according to subsection (a) plus
5 an additional 7.5 cents per gallon. "Diesel fuel" is defined
6 as any product intended for use or offered for sale as a fuel
7 for engines in which the fuel is injected into the combustion
8 chamber and ignited by pressure without electric spark.

9 (c) A tax is imposed upon the privilege of engaging in the
10 business of selling motor fuel as a retailer or reseller on all
11 motor fuel used in motor vehicles operating on the public
12 highways and recreational type watercraft operating upon the
13 waters of this State: (1) at the rate of 3 cents per gallon on
14 motor fuel owned or possessed by such retailer or reseller at
15 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
16 per gallon on motor fuel owned or possessed by such retailer or
17 reseller at 12:01 A.M. on January 1, 1990.

18 Retailers and resellers who are subject to this additional
19 tax shall be required to inventory such motor fuel and pay this
20 additional tax in a manner prescribed by the Department of
21 Revenue.

22 The tax imposed in this paragraph (c) shall be in addition
23 to all other taxes imposed by the State of Illinois or any unit
24 of local government in this State.

25 (d) Except as provided in Section 2a, the collection of a
26 tax based on gallonage of gasoline used for the propulsion of

1 any aircraft is prohibited on and after October 1, 1979, and
2 the collection of a tax based on gallonage of special fuel used
3 for the propulsion of any aircraft is prohibited on and after
4 December 1, 2019.

5 (e) The collection of a tax, based on gallonage of all
6 products commonly or commercially known or sold as 1-K
7 kerosene, regardless of its classification or uses, is
8 prohibited (i) on and after July 1, 1992 until December 31,
9 1999, except when the 1-K kerosene is either: (1) delivered
10 into bulk storage facilities of a bulk user, or (2) delivered
11 directly into the fuel supply tanks of motor vehicles and (ii)
12 on and after January 1, 2000. Beginning on January 1, 2000, the
13 collection of a tax, based on gallonage of all products
14 commonly or commercially known or sold as 1-K kerosene,
15 regardless of its classification or uses, is prohibited except
16 when the 1-K kerosene is delivered directly into a storage
17 tank that is located at a facility that has withdrawal
18 facilities that are readily accessible to and are capable of
19 dispensing 1-K kerosene into the fuel supply tanks of motor
20 vehicles. For purposes of this subsection (e), a facility is
21 considered to have withdrawal facilities that are not "readily
22 accessible to and capable of dispensing 1-K kerosene into the
23 fuel supply tanks of motor vehicles" only if the 1-K kerosene
24 is delivered from: (i) a dispenser hose that is short enough so
25 that it will not reach the fuel supply tank of a motor vehicle
26 or (ii) a dispenser that is enclosed by a fence or other

1 physical barrier so that a vehicle cannot pull alongside the
2 dispenser to permit fueling.

3 Any person who sells or uses 1-K kerosene for use in motor
4 vehicles upon which the tax imposed by this Law has not been
5 paid shall be liable for any tax due on the sales or use of 1-K
6 kerosene.

7 As used in this Section, "Consumer Price Index" means the
8 index published by the Bureau of Labor Statistics of the
9 United States Department of Labor that measures the average
10 change in prices of goods and services purchased by all urban
11 consumers, United States city average, all items, 1982-84 =
12 100.

13 (Source: P.A. 102-700, eff. 4-19-22; 103-995, eff. 8-9-24.)

14 ARTICLE 25

15 Section 25-5. The Environmental Protection Act is amended
16 by changing Section 7.5 as follows:

17 (415 ILCS 5/7.5) (from Ch. 111 1/2, par. 1007.5)

18 Sec. 7.5. Filing fees.

19 (a) The Board shall collect filing fees as prescribed in
20 this Act. The fees shall be deposited in the Pollution Control
21 Board Fund. The filing fees shall be as follows:

22 Petition for site-specific regulation, \$250 ~~\$75~~.

23 Petition for variance, \$250 ~~\$75~~.

1 Petition for review of permit, \$250 ~~\$75~~.

2 Petition to contest local government decision pursuant
3 to Section 40.1, \$250 ~~\$75~~.

4 Petition for an adjusted standard, pursuant to Section
5 28.1, \$250 ~~\$75~~.

6 Petition for a time-limited water quality standard,
7 \$250 ~~\$75~~ per petitioner.

8 On July 1, 2027 and each July 1 thereafter, the filing fees
9 charged under this subsection shall each be increased by an
10 amount equal to the annual unadjusted percentage increase in
11 the consumer price index-u for the 12 months ending with the
12 March preceding each July 1, including all previous
13 adjustments. In this subsection, "consumer price index-u"
14 means the index published by the Bureau of Labor Statistics of
15 the United States Department of Labor that measures the
16 average change in prices of goods and services purchased by
17 all urban consumers, United States city average, all items,
18 1982-84=100.

19 (b) A person who has filed a petition for a variance from a
20 water quality standard and paid the filing fee set forth in
21 subsection (a) of this Section for that petition and whose
22 variance petition is thereafter converted into a petition for
23 a time-limited water quality standard under Section 38.5 of
24 this Act shall not be required to pay a separate filing fee
25 upon the conversion of the variance petition into a petition
26 for a time-limited water quality standard.

1 (Source: P.A. 99-937, eff. 2-24-17.)

2 ARTICLE 30

3 Section 30-5. The Illinois Coal Technology Development
4 Assistance Act is amended by changing Section 3 as follows:

5 (30 ILCS 730/3) (from Ch. 96 1/2, par. 8203)

6 Sec. 3. Transfers to Coal Technology Development
7 Assistance Fund.

8 (a) As soon as may be practicable after the first day of
9 each month, the Department of Revenue shall certify to the
10 Treasurer an amount equal to 1/64 of the revenue realized from
11 the tax imposed by the Electricity Excise Tax Law, Section 2 of
12 the Public Utilities Revenue Act, Section 2 of the Messages
13 Tax Act, and Section 2 of the Gas Revenue Tax Act, during the
14 preceding month. Upon receipt of the certification, the
15 Treasurer shall transfer the amount shown on such
16 certification from the General Revenue Fund to the Coal
17 Technology Development Assistance Fund, which is hereby
18 created as a special fund in the State treasury, except that no
19 transfer shall be made in any month in which the Fund has
20 reached the following balance:

21 (1) (Blank).

22 (2) (Blank).

23 (3) (Blank).

1 (4) (Blank).

2 (5) (Blank).

3 (6) Expect as otherwise provided in subsection (b),
4 during fiscal year 2006 and each fiscal year thereafter,
5 an amount equal to the sum of \$10,000,000 plus additional
6 moneys deposited into the Coal Technology Development
7 Assistance Fund from the Renewable Energy Resources and
8 Coal Technology Development Assistance Charge under
9 Section 6.5 of the Renewable Energy, Energy Efficiency,
10 and Coal Resources Development Law of 1997.

11 (b) During fiscal years 2019 through 2022 only, the
12 Treasurer shall make no transfers from the General Revenue
13 Fund to the Coal Technology Development Assistance Fund.

14 (c) Beginning in fiscal year 2027, those amounts required
15 under this Section to be transferred by the Treasurer into the
16 Coal Technology Development Assistance Fund from the General
17 Revenue Fund shall instead be directly deposited into the Coal
18 Technology Development Assistance Fund.

19 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
20 102-16, eff. 6-17-21.)

21 Section 30-10. The Illinois Income Tax Act is amended by
22 changing Section 510 as follows:

23 (35 ILCS 5/510) (from Ch. 120, par. 5-510)

24 Sec. 510. Determination of amounts contributed. The

1 Department shall determine the total amount contributed to
2 each of the funds under this Article 5 and shall notify the
3 State Comptroller and the State Treasurer of the amounts to be
4 transferred from the General Revenue Fund to each fund, and
5 upon receipt of such notification the State Treasurer and
6 Comptroller shall transfer the amounts. Beginning on July 1,
7 2026, contribution amounts required to be transferred under
8 this Article 5 shall be deposited directly into the funds.

9 (Source: P.A. 95-331, eff. 8-21-07; 95-434, eff. 8-27-07;
10 95-435, eff. 8-27-07; 95-940, eff. 8-29-08; 96-328, eff.
11 8-11-09.)

12 Section 30-15. The Environmental Protection Act is amended
13 by changing Section 55.8 as follows:

14 (415 ILCS 5/55.8) (from Ch. 111 1/2, par. 1055.8)

15 Sec. 55.8. Tire retailers.

16 (a) Any person selling new or used tires at retail or
17 offering new or used tires for retail sale in this State shall:

18 (1) beginning on June 20, 2003 (the effective date of
19 Public Act 93-32) and through June 30, 2026, collect from
20 retail customers a fee of \$2 per new or used tire sold and
21 delivered in this State, to be paid to the Department of
22 Revenue and deposited into the Used Tire Management Fund,
23 less a collection allowance of 10 cents per tire to be
24 retained by the retail seller and a collection allowance

1 of 10 cents per tire to be retained by the Department of
2 Revenue and paid into the General Revenue Fund; the
3 collection allowance for retail sellers, however, shall be
4 allowed only if the return is filed timely and in the
5 manner required by this Title XIV and only for the amount
6 that is paid timely in accordance with this Title XIV;

7 (1.5) beginning on July 1, 2003 and through June 30,
8 2026, collect from retail customers an additional 50 cents
9 per new or used tire sold and delivered in this State; the
10 money collected from this fee shall be deposited into the
11 Emergency Public Health Fund;

12 (1.6) beginning on July 1, 2026, collect from retail
13 customers a fee of \$2.50 per new or used tire sold and
14 delivered in this State, to be paid to the Department of
15 Revenue, less a collection allowance of \$0.10 per tire to
16 be retained by the retail seller; the collection
17 allowance, however, shall be allowed only if the return is
18 filed timely and in the manner required by this Title XIV
19 and only for the amount that is paid timely in accordance
20 with this Title XIV; the money collected from this fee
21 shall be deposited as follows:

22 (i) 4% into the General Revenue Fund;

23 (ii) 75% into the Used Tire Management Fund; and

24 (iii) 21% into the Emergency Public Health Fund

25 (2) accept for recycling used tires from customers, at
26 the point of transfer, in a quantity equal to the number of

1 new tires purchased; and

2 (3) post in a conspicuous place a written notice at
3 least 8.5 by 11 inches in size that includes the universal
4 recycling symbol and the following statements: "DO NOT put
5 used tires in the trash."; "Recycle your used tires."; and
6 "State law requires us to accept used tires for recycling,
7 in exchange for new tires purchased.".

8 (b) A person who accepts used tires for recycling under
9 subsection (a) shall not allow the tires to accumulate for
10 periods of more than 90 days.

11 (c) The requirements of subsection (a) of this Section do
12 not apply to mail order sales nor shall the retail sale of a
13 motor vehicle be considered to be the sale of tires at retail
14 or offering of tires for retail sale. Instead of filing
15 returns, retailers of tires may remit the tire user fee to
16 their suppliers of tires if the supplier of tires is a
17 registered retailer of tires and agrees or otherwise arranges
18 to collect and remit the tire fee to the Department of Revenue,
19 notwithstanding the fact that the sale of the tire is a sale
20 for resale and not a sale at retail. A tire supplier who enters
21 into such an arrangement with a tire retailer shall be liable
22 for the tax on all tires sold to the tire retailer and must (i)
23 provide the tire retailer with a receipt that separately
24 reflects the tire tax collected from the retailer on each
25 transaction and (ii) accept used tires for recycling from the
26 retailer's customers. The tire supplier shall be entitled to

1 the collection allowance of 10 cents per tire, but only if the
2 return is filed timely and only for the amount that is paid
3 timely in accordance with this Title XIV.

4 The retailer of the tires must maintain in its books and
5 records evidence that the appropriate fee was paid to the tire
6 supplier and that the tire supplier has agreed to remit the fee
7 to the Department of Revenue for each tire sold by the
8 retailer. Otherwise, the tire retailer shall be directly
9 liable for the fee on all tires sold at retail. Tire retailers
10 paying the fee to their suppliers are not entitled to the
11 collection allowance of 10 cents per tire. The collection
12 allowance for suppliers, however, shall be allowed only if the
13 return is filed timely and in the manner required by this Title
14 XIV and only for the amount that is paid timely in accordance
15 with this Title XIV.

16 (d) The requirements of subsection (a) of this Section
17 shall apply exclusively to tires to be used for vehicles
18 defined in Section 1-217 of the Illinois Vehicle Code,
19 aircraft tires, special mobile equipment, and implements of
20 husbandry.

21 (e) The requirements of paragraph (1) of subsection (a) do
22 not apply to the sale of reprocessed tires. For purposes of
23 this Section, "reprocessed tire" means a used tire that has
24 been recapped, retreaded, or regrooved and that has not been
25 placed on a vehicle wheel rim.

26 (Source: P.A. 100-303, eff. 8-24-17.)

ARTICLE 35

Section 35-5. The Hotel Operators' Occupation Tax Act is amended by changing Sections 2, 3, 3-2, 3-3, and 6 as follows:

(35 ILCS 145/2) (from Ch. 120, par. 481b.32)

Sec. 2. Definitions. As used in this Act, unless the context otherwise requires:

(1) "Hotel" means any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes or courts, lodging houses, rooming houses and apartment houses, retreat centers, conference centers, hunting lodges, and short-term rentals.

(2) "Operator" means any person engaged in the business of renting, leasing, or letting rooms in a hotel.

(3) "Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms in a hotel for any purpose, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

(4) "Room" or "rooms" means any living quarters, sleeping or housekeeping accommodations.

(5) "Permanent resident" means any person who occupied or

1 has the right to occupy any room or rooms, regardless of
2 whether or not it is the same room or rooms, in a hotel for at
3 least 30 consecutive days.

4 (6) "Rent" or "rental" means the consideration received
5 for occupancy, valued in money, whether received in money or
6 otherwise, including all receipts, cash, credits, and property
7 or services of any kind or nature. "Rent" or "rental" includes
8 any fee, charge, or commission received from a guest by a
9 re-renter of hotel rooms specifically in connection with the
10 re-rental of hotel rooms.

11 (7) "Department" means the Department of Revenue.

12 (8) "Person" means any natural individual, firm,
13 partnership, association, joint stock company, joint
14 adventure, public or private corporation, limited liability
15 company, or a receiver, executor, trustee, guardian, or other
16 representative appointed by order of any court.

17 (9) "Re-renter of hotel rooms" means a person who is not
18 employed by the hotel operator but who, either directly or
19 indirectly, through agreements or arrangements with third
20 parties, collects or processes the payment of rent for a hotel
21 room located in this State and (i) obtains the right or
22 authority to grant control of, access to, or occupancy of a
23 hotel room in this State to a guest of the hotel or (ii)
24 facilitates the booking of a hotel room located in this State.
25 A person who obtains those rights or authorities is not
26 considered a re-renter of a hotel room if the person operates

1 under a shared hotel brand with the operator.

2 (10) "Hosting platform" or "platform" means a person who
3 provides an online application, software, website, or system
4 through which a short-term rental located in this State is
5 advertised or held out to the public as available to rent for
6 occupancy. For purposes of this definition, "short-term
7 rental" means an owner-occupied, tenant-occupied, or
8 non-owner-occupied dwelling, including, but not limited to, an
9 apartment, house, cottage, or condominium, located in this
10 State, where: (i) at least one room in the dwelling is rented
11 to an occupant for a period of less than 30 consecutive days;
12 and (ii) all accommodations are reserved in advance; provided,
13 however, that a dwelling shall be considered a single room if
14 rented as such.

15 (11) "Shared hotel brand" means an identifying trademark
16 that a hotel operator is expressly licensed to operate under
17 in accordance with the terms of a hotel franchise or
18 management agreement.

19 (12) "Hotel marketplace" means a physical or electronic
20 place, forum, platform, application, or other method by which
21 marketplace hotel operators rent, lease, or let or offer to
22 rent, lease, or let rooms in hotels.

23 (13) "Hotel marketplace facilitator" means a person who,
24 pursuant to agreements with unrelated third-party marketplace
25 hotel operators, directly or indirectly through one or more
26 affiliates, facilitates the renting, leasing, or letting of

1 rooms in hotels by unrelated third-party marketplace hotel
2 operators by:

3 (A) listing or advertising for rent, lease, or letting
4 by marketplace hotel operators in a hotel marketplace,
5 hotel rooms, the renting, leasing, or letting of which is
6 subject to tax under this Act; and

7 (B) either directly or indirectly, through agreements
8 or arrangements with third parties, collecting payment
9 from customers and transmitting those payments to the
10 marketplace hotel operator regardless of whether the hotel
11 marketplace facilitator receives compensation or other
12 consideration in exchange for its services.

13 Beginning July 1, 2026, "hotel marketplace facilitator"
14 includes re-renters of hotel rooms and hosting platforms for
15 short-term rentals who otherwise meet the definition of "hotel
16 marketplace facilitator" set forth in this item (13).

17 (14) "Marketplace hotel operator" means a person who
18 rents, leases, or lets rooms in a hotel through a hotel
19 marketplace operated by an unrelated third-party hotel
20 marketplace facilitator.

21 (Source: P.A. 103-592, eff. 7-1-24; 104-6, eff. 7-1-25;
22 104-417, eff. 8-15-25.)

23 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

24 Sec. 3. Rate; exemptions.

25 (a) A tax is imposed upon hotel operators at the rate of 5%

1 of 94% of the gross rental receipts from engaging in business
2 as a hotel operator, excluding, however, from gross rental
3 receipts, the proceeds of renting, leasing or letting hotel
4 rooms to permanent residents of a hotel and proceeds from the
5 tax imposed under subsection (c) of Section 13 of the
6 Metropolitan Pier and Exposition Authority Act.

7 (b) There shall be imposed an additional tax upon hotel
8 operators at the rate of 1% of 94% of the gross rental receipts
9 received by the hotel operator from engaging in business as a
10 hotel operator, excluding, however, from gross rental
11 receipts, the proceeds of such renting, leasing or letting to
12 permanent residents of that hotel and proceeds from the tax
13 imposed under subsection (c) of Section 13 of the Metropolitan
14 Pier and Exposition Authority Act.

15 (b-5) Beginning on July 1, 2024 and through June 30, 2026,
16 if the renting, leasing, or letting of a hotel room is done
17 through a re-renter of hotel rooms, then, subject to the
18 provisions of Sections 3-2 and 3-3, the re-renter is the hotel
19 operator for the purposes of the taxes under subsections (a)
20 and (b). If the re-renter is headquartered outside of this
21 State and has no presence in this State other than its business
22 as a re-renter, conducted remotely, then, subject to the
23 provisions of Sections 3-2 and 3-3, such re-renter is the
24 hotel operator for the purposes of the taxes under subsections
25 (a) and (b) if it meets one of the following thresholds:

26 (1) the cumulative gross receipts from rentals in

1 Illinois by the re-renter of hotel rooms are \$100,000 or
2 more; or

3 (2) the re-renter of hotel rooms cumulatively enters
4 into 200 or more separate transactions for rentals in
5 Illinois.

6 A re-renter of hotel rooms who is headquartered outside of
7 this State and has no presence in this State other than its
8 business as a re-renter, conducted remotely, shall determine
9 on a quarterly basis, ending on the last day of March, June,
10 September, and December, whether he or she meets the threshold
11 of either paragraph (1) or (2) of this subsection (b-5) for the
12 preceding 12-month period. If such re-renter of hotel rooms
13 meets the threshold of either paragraph (1) or (2) for a
14 12-month period, he or she is subject to tax under this Act and
15 is required to remit the tax imposed under this Act and file
16 returns for the 12-month period beginning on the first day of
17 the next month after he or she determines that he or she meets
18 the threshold of paragraph (1) or (2). At the end of that
19 12-month period, such re-renter of hotel rooms shall determine
20 whether he or she continued to meet the threshold of either
21 paragraph (1) or (2) during the preceding 12-month period. If
22 he or she met the threshold in either paragraph (1) or (2) for
23 the preceding 12-month period, he or she is a hotel operator in
24 this State and is required to remit the tax imposed under this
25 Act and file returns for the subsequent 12-month period. If,
26 at the end of a 12-month period during which such re-renter is

1 required to remit the tax imposed under this Act, the
2 re-renter determines that he or she did not meet the threshold
3 in either paragraph (1) or (2) during the preceding 12-month
4 period, he or she shall subsequently determine on a quarterly
5 basis, ending on the last day of March, June, September, and
6 December, whether he or she meets the threshold of either
7 paragraph (1) or (2) for the preceding 12-month period.

8 (b-10) Beginning July 1, 2026, if the renting, leasing, or
9 letting of a hotel room is done through a hotel marketplace
10 facilitator that has met the tax remittance threshold under
11 this subsection (b-10), then the hotel marketplace facilitator
12 is the hotel operator for the purposes of the taxes under this
13 Act. A hotel marketplace facilitator is engaged in the
14 business of renting, leasing, or letting rooms in a hotel in
15 Illinois and meets the tax remittance threshold for purposes
16 of this Act if, during the previous 12-month period, the
17 cumulative gross rental receipts from renting, leasing, or
18 letting rooms in Illinois hotels on its own behalf or on behalf
19 of marketplace hotel operators to guests equals \$100,000 or
20 more.

21 A hotel marketplace facilitator that meets the tax
22 remittance threshold of this subsection is required to remit
23 the applicable State hotel operators' occupation taxes under
24 this Act and local hotel operators' occupation taxes
25 administered by the Department on all rentals, leases, or
26 lettings of Illinois hotel rooms made by the hotel marketplace

1 facilitator or facilitated for marketplace hotel operators to
2 guests. A hotel marketplace facilitator who meets the tax
3 remittance threshold and rents, leases, or lets Illinois hotel
4 rooms to guests is subject to all applicable procedures and
5 requirements of this Act.

6 A hotel marketplace facilitator shall determine on a
7 quarterly basis, ending on the last day of March, June,
8 September, and December, whether it meets the tax remittance
9 threshold in this subsection (b-10) for the preceding 12-month
10 period. If the hotel marketplace facilitator meets the tax
11 remittance threshold for a 12-month period, then it is subject
12 to tax under this Act and is required to remit the tax imposed
13 under this Act and all hotel operators' occupation tax imposed
14 by local taxing jurisdictions in Illinois, provided that those
15 local taxes are administered by the Department, and to file
16 all applicable returns for one year. At the end of that
17 one-year period, the hotel marketplace facilitator shall
18 determine whether it met the tax remittance threshold for the
19 preceding 12-month period. If the hotel marketplace
20 facilitator met the tax remittance threshold for the preceding
21 12-month period, then it is subject to the tax under this Act
22 and is required to continue to collect and remit all
23 applicable State and local hotel operators' occupation taxes
24 and file returns for the subsequent year. If, at the end of a
25 one-year period, a hotel marketplace facilitator that was
26 required to collect and remit the tax imposed under this Act

1 determines that it did not meet the tax remittance threshold
2 during the preceding 12-month period, then the hotel
3 marketplace facilitator shall subsequently determine on a
4 quarterly basis, ending on the last day of March, June,
5 September, and December, whether it meets the tax remittance
6 threshold for the preceding 12-month period.

7 A hotel marketplace facilitator shall be entitled to any
8 credits, deductions, or adjustments to rental receipts
9 otherwise provided to the marketplace hotel operator, in
10 addition to any such adjustments provided directly to the
11 hotel marketplace facilitator. This includes, but is not
12 limited to, adjustments such as discounts, coupons, and
13 rebates. In addition, a hotel marketplace facilitator is
14 entitled to the discount provided in Section 6 of this Act on
15 all hotel marketplace rentals, leases, or lettings, and the
16 marketplace hotel operator shall not include rentals, leases,
17 or lettings made through a hotel marketplace facilitator when
18 computing any discount on remaining rentals, leases, or
19 lettings. Hotel marketplace facilitators shall report and
20 remit the applicable State and local hotel operators'
21 occupation taxes on leases, rentals, or lettings facilitated
22 for marketplace hotel operators separately from any hotel
23 operators' occupation tax on taxable rentals, leases, or
24 lettings made directly by the hotel marketplace facilitator or
25 its affiliates.

26 The hotel marketplace facilitator is liable for the

1 remittance of all applicable State hotel operators' occupation
2 taxes under this Act and local hotel operators' occupation
3 taxes administered by the Department on rentals, leases, or
4 lettings through the hotel marketplace and is subject to audit
5 on all of those rentals, leases, or lettings. The Department
6 shall not audit marketplace hotel operators for their
7 marketplace rentals, leases, or lettings if the hotel
8 marketplace facilitator remitted the applicable State and
9 local hotel operators' occupation taxes unless the hotel
10 marketplace facilitator seeks relief as a result of incorrect
11 information provided to the hotel marketplace facilitator by a
12 marketplace hotel operator as set forth in this Section. The
13 hotel marketplace facilitator shall not be held liable for tax
14 on any rentals, leases, or lettings made by a marketplace
15 hotel operator that take place outside of the hotel
16 marketplace and that are not a part of any agreement between a
17 hotel marketplace facilitator and a marketplace hotel
18 operator. In addition, hotel marketplace facilitators shall
19 not be held liable to State and local governments of Illinois
20 for having charged and remitted an incorrect amount of State
21 and local hotel operators' occupation tax if, at the time of
22 the rentals, leases, or lettings, the tax is computed based on
23 erroneous data provided by the State on tax rates, boundaries,
24 or taxing jurisdictions or incorrect information provided to
25 the hotel marketplace facilitator by the marketplace hotel
26 operator.

1 (b-15) A hotel marketplace facilitator shall:

2 (1) provide notice to each marketplace hotel operator
3 at the time of the agreement between the hotel marketplace
4 facilitator and marketplace hotel operator that the hotel
5 marketplace facilitator assumes the rights and duties of a
6 hotel operator under this Act with respect to rentals,
7 leases, or lettings made by the marketplace hotel operator
8 through the hotel marketplace;

9 (2) certify, upon request, to the marketplace hotel
10 operator that the hotel marketplace facilitator assumes
11 the rights and duties of a hotel operator under this Act
12 with respect to rentals, leases, or lettings made by the
13 marketplace hotel operator through the hotel marketplace;
14 and

15 (3) remit taxes imposed by this Act as required by
16 this Act for all rentals, leases, and lettings made
17 through the hotel marketplace.

18 (b-20) For any rentals, leases, and lettings made through
19 a hotel marketplace involving 2 or more parties that meet the
20 definition of hotel marketplace facilitator, nothing in this
21 Section shall prohibit those parties from making an agreement
22 regarding which party shall be responsible for collecting and
23 remitting taxes imposed by this Act, so long as the party so
24 responsible is registered with the State for purposes of
25 remitting the taxes imposed by this Act. If the parties enter
26 into an agreement described in this subsection, the party that

1 agrees to collect and remit the taxes imposed by this Act shall
2 be the sole party liable for the taxes imposed by this Act, and
3 the other parties to the agreement are not liable for the tax.
4 Any party subject to such an agreement must keep a copy of the
5 agreement in its books and records and provide a copy to the
6 Department upon request.

7 (b-25) A marketplace hotel operator shall retain books and
8 records, including certificates provided by the hotel
9 marketplace facilitator under paragraph (2) of subsection
10 (b-15), for all rentals, leases, and lettings made through a
11 hotel marketplace in accordance with the requirements of this
12 Act.

13 (b-30) A hotel marketplace facilitator is subject to audit
14 on all hotel marketplace rentals, leases, and lettings for
15 which it is the hotel operator but shall not be liable for tax
16 or subject to audit on rentals, leases, or lettings made by
17 marketplace hotel operators outside of the hotel marketplace.

18 (b-35) Nothing in this Section shall allow the Department
19 to collect hotel operators' occupation taxes from both the
20 hotel marketplace facilitator and marketplace hotel operator
21 on the same transaction.

22 (c) No funds received pursuant to this Act shall be used to
23 advertise for or otherwise promote new competition in the
24 hotel business.

25 (d) However, such tax is not imposed upon the privilege of
26 engaging in any business in Interstate Commerce or otherwise,

1 which business may not, under the Constitution and Statutes of
2 the United States, be made the subject of taxation by this
3 State. In addition, the tax is not imposed upon gross rental
4 receipts for which the hotel operator is prohibited from
5 obtaining reimbursement for the tax from the customer by
6 reason of a federal treaty.

7 (d-5) On and after July 1, 2017, the tax imposed by this
8 Act shall not apply to gross rental receipts received by an
9 entity that is organized and operated exclusively for
10 religious purposes and possesses an active Exemption
11 Identification Number issued by the Department pursuant to the
12 Retailers' Occupation Tax Act when acting as a hotel operator
13 renting, leasing, or letting rooms:

14 (1) in furtherance of the purposes for which it is
15 organized; or

16 (2) to entities that (i) are organized and operated
17 exclusively for religious purposes, (ii) possess an active
18 Exemption Identification Number issued by the Department
19 pursuant to the Retailers' Occupation Tax Act, and (iii)
20 rent the rooms in furtherance of the purposes for which
21 they are organized.

22 No gross rental receipts are exempt under paragraph (2) of
23 this subsection (d-5) unless the hotel operator obtains the
24 active Exemption Identification Number from the exclusively
25 religious entity to whom it is renting and maintains that
26 number in its books and records. Gross rental receipts from

1 all rentals other than those described in items (1) or (2) of
2 this subsection (d-5) are subject to the tax imposed by this
3 Act unless otherwise exempt under this Act.

4 This subsection (d-5) is exempt from the sunset provisions
5 of Section 3-5 of this Act.

6 (d-10) On and after July 1, 2023, the tax imposed by this
7 Act shall not apply to gross rental receipts received from the
8 renting, leasing, or letting of rooms to an entity that is
9 organized and operated exclusively by an organization
10 chartered by the United States Congress for the purpose of
11 providing disaster relief and that possesses an active
12 Exemption Identification Number issued by the Department
13 pursuant to the Retailers' Occupation Tax Act if the renting,
14 leasing, or letting of the rooms is in furtherance of the
15 purposes for which the exempt organization is organized. This
16 subsection (d-10) is exempt from the sunset provisions of
17 Section 3-5 of this Act.

18 (e) Persons subject to the tax imposed by this Act may
19 reimburse themselves for their tax liability under this Act by
20 separately stating such tax as an additional charge, which
21 charge may be stated in combination, in a single amount, with
22 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
23 Illinois Municipal Code, and Section 25.05-10 of "An Act to
24 revise the law in relation to counties".

25 (f) If any hotel operator collects an amount (however
26 designated) which purports to reimburse such operator for

1 hotel operators' occupation tax liability measured by receipts
2 which are not subject to hotel operators' occupation tax, or
3 if any hotel operator, in collecting an amount (however
4 designated) which purports to reimburse such operator for
5 hotel operators' occupation tax liability measured by receipts
6 which are subject to tax under this Act, collects more from the
7 guest or, until July 1, 2026, from the re-renter than the
8 operators' hotel operators' occupation tax liability in the
9 transaction is, the guest or re-renter, as applicable, shall
10 have a legal right to claim a refund of such amount from such
11 operator. However, if such amount is not refunded to the guest
12 or re-renter, as applicable, for any reason, the hotel
13 operator is liable to pay such amount to the Department.
14 (Source: P.A. 103-9, eff. 6-7-23; 103-592, eff. 7-1-24.)

15 (35 ILCS 145/3-2)

16 Sec. 3-2. No resale exemption for transactions prior to
17 July 1, 2026; hotel marketplace facilitators subject to tax
18 beginning July 1, 2026 ~~tax incurred by re-renters of hotel~~
19 ~~rooms.~~ Until July 1, 2026, a A hotel operator who rents,
20 leases, or lets rooms subject to tax under this Act through ~~to~~
21 a re-renter of hotel rooms incurs the tax under this Act on the
22 gross rental receipts it receives from that re-renter of hotel
23 rooms and cannot claim any resale exemption. In such
24 situations, the re-renter of hotel rooms incurs tax under this
25 Act on its gross rental receipts as provided in Section 3 of

1 this Act, subject to a credit as provided in Section 3-3 for
2 any reimbursement of tax paid to the hotel operator under
3 subsection (e) of Section 3 of this Act. Beginning July 1,
4 2026, a hotel operator who rents, leases, or lets rooms
5 subject to tax under this Act through a re-renter of hotel
6 rooms, a hosting platform for short-term rentals, or through
7 any other person who meets the definition of a hotel
8 marketplace facilitator and who meets the tax remittance
9 threshold under this Act does not incur the tax under this Act.
10 Instead, the hotel marketplace facilitator incurs the tax
11 under this Act in accordance with the provisions of Section 3.

12 (Source: P.A. 103-592, eff. 7-1-24.)

13 (35 ILCS 145/3-3)

14 Sec. 3-3. Re-renter of hotel rooms; credit for tax
15 reimbursement. For transactions prior to July 1, 2026, a A
16 re-renter of hotel rooms may take a credit against the tax it
17 incurs on the rental of a hotel room under this Act for the
18 amount it paid under subsection (e) of Section 3 of this Act to
19 a hotel operator as reimbursement for the tax incurred under
20 this Act for the rental of that room for the purposes of
21 re-rental.

22 (Source: P.A. 103-592, eff. 7-1-24.)

23 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

24 Sec. 6. Returns; allocation of proceeds.

1 (a) Except as provided hereinafter in this Section, on or
2 before the last day of each calendar month, every person
3 engaged as a hotel operator in this State during the preceding
4 calendar month shall file a return with the Department,
5 stating:

6 1. the name of the operator;

7 2. the operator's ~~his~~ residence address and the
8 address of the operator's ~~his~~ principal place of business
9 and the address of the principal place of business (if
10 that is a different address) from which he engages in
11 business as a hotel operator in this State (including, if
12 required by the Department, the address of each hotel from
13 which rental receipts were received);

14 3. total amount of rental receipts received by the
15 operator ~~him~~ during the preceding calendar month from
16 engaging in business as a hotel operator during such
17 preceding calendar month;

18 4. total amount of rental receipts received by the
19 operator ~~him~~ during the preceding calendar month from
20 renting, leasing or letting rooms to permanent residents
21 during such preceding calendar month;

22 5. total amount of other exclusions from gross rental
23 receipts allowed by this Act;

24 6. gross rental receipts which were received by the
25 operator ~~him~~ during the preceding calendar month and upon
26 the basis of which the tax is imposed;

1 7. the amount of tax due;

2 8. for transactions prior to July 1, 2026, credit for
3 any reimbursement of tax paid by a re-renter of hotel
4 rooms to hotel operators for rentals purchased for
5 re-rental, as provided in Section 3-3 of this Act;

6 9. such other reasonable information as the Department
7 may require.

8 If the operator's average monthly tax liability to the
9 Department does not exceed \$200, the Department may authorize
10 the operator's ~~his~~ returns to be filed on a quarter annual
11 basis, with the return for January, February and March of a
12 given year being due by April 30 of such year; with the return
13 for April, May and June of a given year being due by July 31 of
14 such year; with the return for July, August and September of a
15 given year being due by October 31 of such year, and with the
16 return for October, November and December of a given year
17 being due by January 31 of the following year.

18 If the operator's average monthly tax liability to the
19 Department does not exceed \$50, the Department may authorize
20 the operator's ~~his~~ returns to be filed on an annual basis, with
21 the return for a given year being due by January 31 of the
22 following 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 concerning

1 the time within which an operator may file the operator's ~~his~~
2 return, in the case of any operator who ceases to engage in a
3 kind of business which makes the operator ~~him~~ responsible for
4 filing returns under this Act, such operator shall file a
5 final return under this Act with the Department not more than
6 one month after discontinuing such business.

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

13 In the operator's ~~his~~ return, the operator shall determine
14 the value of any consideration other than money received by
15 the operator ~~him~~ in connection with engaging in business as a
16 hotel operator and the operator ~~he~~ shall include such value in
17 the operator's ~~his~~ return. Such determination shall be subject
18 to review and revision by the Department in the manner
19 hereinafter provided for the correction of returns.

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

24 The person filing the return herein provided for shall, at
25 the time of filing such return, pay to the Department the
26 amount of tax herein imposed. The operator filing the return

1 under this Section shall, at the time of filing such return,
2 pay to the Department the amount of tax imposed by this Act
3 less a discount of 2.1% or \$25 per calendar year, whichever is
4 greater, which is allowed to reimburse the operator for the
5 expenses incurred in keeping records, preparing and filing
6 returns, remitting the tax and supplying data to the
7 Department on request.

8 If any payment provided for in this Section exceeds the
9 operator's liabilities under this Act, as shown on an original
10 return, the Department may authorize the operator to credit
11 such excess payment against liability subsequently to be
12 remitted to the Department under this Act, in accordance with
13 reasonable rules adopted by the Department. If the Department
14 subsequently determines that all or any part of the credit
15 taken was not actually due to the operator, the operator's
16 discount shall be reduced by an amount equal to the difference
17 between the discount as applied to the credit taken and that
18 actually due, and that operator shall be liable for penalties
19 and interest on such difference.

20 (b) Until July 1, 2024, the Department shall deposit the
21 total net revenue realized from the tax imposed under this Act
22 as provided in this subsection (b). Beginning on July 1, 2024,
23 the Department shall deposit the total net revenue realized
24 from the tax imposed under this Act as provided in subsection
25 (c).

26 There shall be deposited into the Build Illinois Fund in

1 the State treasury for each State fiscal year 40% of the amount
2 of total net revenue from the tax imposed by subsection (a) of
3 Section 3. Of the remaining 60%: (i) \$5,000,000 shall be
4 deposited into the Illinois Sports Facilities Fund and
5 credited to the Subsidy Account each fiscal year by making
6 monthly deposits in the amount of 1/8 of \$5,000,000 plus
7 cumulative deficiencies in such deposits for prior months, and
8 (ii) an amount equal to the then applicable Advance Amount, as
9 defined in subsection (d), shall be deposited into the
10 Illinois Sports Facilities Fund and credited to the Advance
11 Account each fiscal year by making monthly deposits in the
12 amount of 1/8 of the then applicable Advance Amount plus any
13 cumulative deficiencies in such deposits for prior months.
14 (The deposits of the then applicable Advance Amount during
15 each fiscal year shall be treated as advances of funds to the
16 Illinois Sports Facilities Authority for its corporate
17 purposes to the extent paid to the Authority or its trustee and
18 shall be repaid into the General Revenue Fund in the State
19 treasury by the State Treasurer on behalf of the Authority
20 pursuant to Section 19 of the Illinois Sports Facilities
21 Authority Act, as amended. If in any fiscal year the full
22 amount of the then applicable Advance Amount is not repaid
23 into the General Revenue Fund, then the deficiency shall be
24 paid from the amount in the Local Government Distributive Fund
25 that would otherwise be allocated to the City of Chicago under
26 the State Revenue Sharing Act.)

1 Of the remaining 60% of the amount of total net revenue
2 beginning on August 1, 2011 through June 30, 2023, from the tax
3 imposed by subsection (a) of Section 3 after all required
4 deposits into the Illinois Sports Facilities Fund, an amount
5 equal to 8% of the net revenue realized from this Act during
6 the preceding month shall be deposited as follows: 18% of such
7 amount shall be deposited into the Chicago Travel Industry
8 Promotion Fund for the purposes described in subsection (n) of
9 Section 5 of the Metropolitan Pier and Exposition Authority
10 Act and the remaining 82% of such amount shall be deposited
11 into the Local Tourism Fund each month for purposes authorized
12 by Section 605-705 of the Department of Commerce and Economic
13 Opportunity Law. Beginning on August 1, 2011 and through June
14 30, 2023, an amount equal to 4.5% of the net revenue realized
15 from this Act during the preceding month shall be deposited as
16 follows: 55% of such amount shall be deposited into the
17 Chicago Travel Industry Promotion Fund for the purposes
18 described in subsection (n) of Section 5 of the Metropolitan
19 Pier and Exposition Authority Act and the remaining 45% of
20 such amount deposited into the International Tourism Fund for
21 the purposes authorized in Section 605-707 of the Department
22 of Commerce and Economic Opportunity Law.

23 Beginning on July 1, 2023 and until July 1, 2024, of the
24 remaining 60% of the amount of total net revenue realized from
25 the tax imposed under subsection (a) of Section 3, after all
26 required deposits into the Illinois Sports Facilities Fund:

1 (1) an amount equal to 8% of the net revenue realized
2 under this Act for the preceding month shall be deposited
3 as follows: 82% to the Local Tourism Fund and 18% to the
4 Chicago Travel Industry Promotion Fund; and

5 (2) an amount equal to 4.5% of the net revenue
6 realized under this Act for the preceding month shall be
7 deposited as follows: 55% to the Chicago Travel Industry
8 Promotion Fund and 45% to the International Tourism Fund.

9 After making all these deposits, any remaining net revenue
10 realized from the tax imposed under subsection (a) of Section
11 3 shall be deposited into the Tourism Promotion Fund in the
12 State treasury. All moneys received by the Department from the
13 additional tax imposed under subsection (b) of Section 3 shall
14 be deposited into the Build Illinois Fund in the State
15 treasury.

16 (c) Beginning on July 1, 2024, the total net revenue
17 realized from the tax imposed under this Act for the preceding
18 month shall be deposited each month as follows:

19 (1) 50% shall be deposited into the Build Illinois
20 Fund; and

21 (2) the remaining 50% shall be deposited in the
22 following order of priority:

23 (A) First:

24 (i) \$5,000,000 shall be deposited into the
25 Illinois Sports Facilities Fund and credited to
26 the Subsidy Account each fiscal year by making

1 monthly deposits in the amount of one-eighth of
2 \$5,000,000 plus cumulative deficiencies in those
3 deposits for prior months; and

4 (ii) an amount equal to the then applicable
5 Advance Amount, as defined in subsection (d),
6 shall be deposited into the Illinois Sports
7 Facilities Fund and credited to the Advance
8 Account each fiscal year by making monthly
9 deposits in the amount of one-eighth of the then
10 applicable Advance Amount plus any cumulative
11 deficiencies in such deposits for prior months;
12 the deposits of the then applicable Advance Amount
13 during each fiscal year shall be treated as
14 advances of funds to the Illinois Sports
15 Facilities Authority for its corporate purposes to
16 the extent paid to the Illinois Sports Facilities
17 Authority or its trustee and shall be repaid into
18 the General Revenue Fund in the State treasury by
19 the State Treasurer on behalf of the Authority
20 pursuant to Section 19 of the Illinois Sports
21 Facilities Authority Act; if, in any fiscal year,
22 the full amount of the Advance Amount is not
23 repaid into the General Revenue Fund, then the
24 deficiency shall be paid from the amount in the
25 Local Government Distributive Fund that would
26 otherwise be allocated to the City of Chicago

1 under the State Revenue Sharing Act; and

2 (B) after all required deposits into the Illinois
3 Sports Facilities Fund under paragraph (A) have been
4 made each month, the remainder shall be deposited as
5 follows:

6 (i) 56% into the Tourism Promotion Fund;

7 (ii) 23% into the Local Tourism Fund;

8 (iii) 14% into the Chicago Travel Industry
9 Promotion Fund; and

10 (iv) 7% into the International Tourism Fund.

11 (d) As used in subsections (b) and (c):

12 "Advance Amount" means, for fiscal year 2002, \$22,179,000,
13 and for subsequent fiscal years through fiscal year 2033,
14 105.615% of the Advance Amount for the immediately preceding
15 fiscal year, rounded up to the nearest \$1,000.

16 "Net revenue realized" means the revenue collected by the
17 State under this Act less the amount paid out as refunds to
18 taxpayers for overpayment of liability under this Act.

19 (e) The Department may, upon separate written notice to a
20 taxpayer, require the taxpayer to prepare and file with the
21 Department on a form prescribed by the Department within not
22 less than 60 days after receipt of the notice an annual
23 information return for the tax year specified in the notice.
24 Such annual return to the Department shall include a statement
25 of gross receipts as shown by the operator's last State income
26 tax return. If the total receipts of the business as reported

1 in the State income tax return do not agree with the gross
2 receipts reported to the Department for the same period, the
3 operator shall attach to the operator's ~~his~~ annual information
4 return a schedule showing a reconciliation of the 2 amounts
5 and the reasons for the difference. The operator's annual
6 information return to the Department shall also disclose
7 payroll information of the operator's business during the year
8 covered by such return and any additional reasonable
9 information which the Department deems would be helpful in
10 determining the accuracy of the monthly, quarterly or annual
11 tax returns by such operator as hereinbefore provided for in
12 this Section.

13 If the annual information return required by this Section
14 is not filed when and as required the taxpayer shall be liable
15 for a penalty in an amount determined in accordance with
16 Section 3-4 of the Uniform Penalty and Interest Act until such
17 return is filed as required, the penalty to be assessed and
18 collected in the same manner as any other penalty provided for
19 in this Act.

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

1 return may be liable for perjury.

2 The foregoing portion of this Section concerning the
3 filing of an annual information return shall not apply to an
4 operator who is not required to file an income tax return with
5 the United States Government.

6 (Source: P.A. 103-8, eff. 6-7-23; 103-592, eff. 7-1-24;
7 103-642, eff. 7-1-24; 104-417, eff. 8-15-25.)

8 ARTICLE 50

9 Section 50-5. The Senior Citizens Real Estate Tax Deferral
10 Act is amended by changing Section 3 as follows:

11 (320 ILCS 30/3) (from Ch. 67 1/2, par. 453)

12 Sec. 3. A taxpayer may, on or before March 1 of each year,
13 apply to the county collector of the county where his
14 qualifying property is located, or to the official designated
15 by a unit of local government to collect special assessments
16 on the qualifying property, as the case may be, for a deferral
17 of all or a part of real estate taxes payable during that year
18 for the preceding year in the case of real estate taxes other
19 than special assessments, or for a deferral of any
20 installments payable during that year in the case of special
21 assessments, on all or part of his qualifying property. The
22 application shall be on a form prescribed by the Department
23 and furnished by the collector, (a) showing that the applicant

1 will be 65 years of age or older by June 1 of the year for
2 which a tax deferral is claimed, (b) describing the property
3 and verifying that the property is qualifying property as
4 defined in Section 2, (c) certifying that the taxpayer has
5 owned and occupied as his residence such property or other
6 qualifying property in the State for at least the last 3 years
7 except for any periods during which the taxpayer may have
8 temporarily resided in a nursing or sheltered care home, and
9 (d) specifying whether the deferral is for all or a part of the
10 taxes, and, if for a part, the amount of deferral applied for.
11 As to qualifying property not having a separate assessed
12 valuation, the taxpayer shall also file with the county
13 collector a written appraisal of the property prepared by a
14 qualified real estate appraiser together with a certificate
15 signed by the appraiser stating that he has personally
16 examined the property and setting forth the value of the land
17 and the value of the buildings thereon occupied by the
18 taxpayer as his residence. The county collector may use
19 eligibility for the Low-Income Senior Citizens Assessment
20 Freeze Homestead Exemption under Section 15-172 of the
21 Property Tax Code as qualification for items (a) and (c).

22 The collector shall grant the tax deferral provided such
23 deferral does not exceed funds available in the Senior
24 Citizens Real Estate Deferred Tax Revolving Fund and provided
25 that the owner or owners of such real property have entered
26 into a tax deferral and recovery agreement with the collector

1 on behalf of the county or other unit of local government,
2 which agreement expressly states:

3 (1) That the total amount of taxes deferred under this
4 Act, plus interest, for the year for which a tax deferral
5 is claimed as well as for those previous years for which
6 taxes are not delinquent and for which such deferral has
7 been claimed may not exceed 80% of the taxpayer's equity
8 interest in the property for which taxes are to be
9 deferred and that, if the total deferred taxes plus
10 interest equals 80% of the taxpayer's equity interest in
11 the property, the taxpayer shall thereafter pay the annual
12 interest due on such deferred taxes plus interest so that
13 total deferred taxes plus interest will not exceed such
14 80% of the taxpayer's equity interest in the property.
15 Effective as of the January 1, 2011 assessment year or tax
16 year 2012 and through the 2021 tax year, the total amount
17 of any such deferral shall not exceed \$5,000 per taxpayer
18 in each tax year. For the 2022 tax year and every tax year
19 thereafter ~~after~~, the total amount of any such deferral
20 shall not exceed \$7,500 per taxpayer in each tax year.

21 (2) That any real estate taxes deferred under this Act
22 and taxes paid by the Department of Revenue under this Act
23 and any interest accrued thereon are a lien on the real
24 estate and improvements thereon until paid and that the
25 real estate taxes deferred under this Act and taxes paid
26 by the Department of Revenue under this Act, together with

1 all interest and costs that may accrue on those amounts,
2 shall be a prior and first lien on the property, superior
3 to all other liens and encumbrances, until the deferred
4 taxes and taxes paid by the Department of Revenue,
5 interest, and costs are paid in accordance with this Act.

6 If the taxes deferred are for a tax year prior to 2023,
7 then interest shall accrue at the rate of 6% per year. If
8 the taxes deferred are for the 2023 tax year or any tax
9 year thereafter, then interest shall accrue at the rate of
10 3% per year. No sale or transfer of such real property may
11 be legally closed and recorded until the taxes which would
12 otherwise have been due on the property, plus accrued
13 interest, have been paid unless the collector certifies in
14 writing that an arrangement for prompt payment of the
15 amount due has been made with his office. The same shall
16 apply if the property is to be made the subject of a
17 contract of sale.

18 (3) That, upon the death of the taxpayer claiming the
19 deferral, the heirs-at-law, assignees, or legatees shall
20 have first priority to the real property upon which taxes
21 have been deferred by paying in full the total taxes which
22 would otherwise have been due, plus interest. However, if
23 such heir-at-law, assignee, or legatee is a surviving
24 spouse, the tax deferred status of the property shall be
25 continued during the life of that surviving spouse if the
26 spouse is 55 years of age or older within 6 months of the

1 date of death of the taxpayer and enters into a tax
2 deferral and recovery agreement before the time when
3 deferred taxes become due under this Section. Any
4 additional taxes deferred, plus interest, on the real
5 property under a tax deferral and recovery agreement
6 signed by a surviving spouse shall be added to the taxes
7 and interest which would otherwise have been due, and the
8 payment of which has been postponed during the life of
9 such surviving spouse, in determining the 80% equity
10 requirement provided by this Section.

11 (4) That if the taxes due, plus interest, are not paid
12 by the heir-at-law, assignee or legatee or if payment is
13 not postponed during the life of a surviving spouse, the
14 deferred taxes and interest shall be recovered from the
15 estate of the taxpayer within one year of the date of his
16 death. In addition, deferred real estate taxes and any
17 interest accrued thereon are due within 90 days after any
18 tax deferred property ceases to be qualifying property as
19 defined in Section 2.

20 If payment is not made when required by this Section,
21 foreclosure proceedings may be instituted under the
22 Property Tax Code.

23 (5) That any joint owner has given written prior
24 approval for such agreement, which written approval shall
25 be made a part of such agreement.

26 (6) That a guardian for a person under legal

1 disability appointed for a taxpayer who otherwise
2 qualifies under this Act may act for the taxpayer in
3 complying with this Act.

4 (7) That a taxpayer or his agent has provided to the
5 satisfaction of the collector, sufficient evidence that
6 the qualifying property on which the taxes are to be
7 deferred is insured against fire or casualty loss for at
8 least the total amount of taxes which have been deferred.

9 If the taxes to be deferred are special assessments, the
10 unit of local government making the assessments shall forward
11 a copy of the agreement entered into pursuant to this Section
12 and the bills for such assessments to the county collector of
13 the county in which the qualifying property is located.

14 Notwithstanding any provision of law to the contrary, the
15 real estate taxes deferred under this Act and taxes paid by the
16 Department of Revenue under this Act, together with all
17 interest and costs that may accrue on those amounts, shall be a
18 prior and first lien on the property, superior to all other
19 liens and encumbrances, until the deferred taxes and taxes
20 paid by the Department of Revenue, interest, and costs are
21 paid in accordance with this Act.

22 (Source: P.A. 104-452, eff. 12-12-25; revised 1-8-26.)

23 ARTICLE 65

24 Section 65-5. The State Finance Act is amended by changing

1 Section 6z-22 as follows:

2 (30 ILCS 105/6z-22) (from Ch. 127, par. 142z-22)

3 Sec. 6z-22. Viable public guardianship and advocacy
4 programs, including the public guardianship programs created
5 and supervised in probate proceedings in State courts, are
6 essential to the administration of justice and operation of
7 the court to ensure that incapacitated persons and their
8 estates are protected regardless of their individual capacity
9 to access the courts. Providing independent legal
10 representation for individuals named in proceedings initiated
11 under the Mental Health and Developmental Disabilities Code is
12 essential to the administration of justice and operation of
13 courts so that an individual named in such proceedings,
14 regardless of resources, is afforded counsel that is free of
15 conflicting duties and charged with insuring compliance with
16 the Code's requirements, which is a necessary safeguard to
17 prevent the mental health and developmental disabilities
18 systems from become a tool to oppress rather than serve
19 society. To defray the expense of maintaining and operating
20 the divisions and programs of the Guardianship and Advocacy
21 Commission and to support viable guardianship and advocacy
22 programs throughout the State, each circuit court clerk must
23 remit a portion of the filing and appearance fees, as provided
24 in Section 27.1b of the Clerk of Courts Act, to the State
25 Treasurer for deposit into the Guardianship and Advocacy Fund.

1 All fees or other monies received by the Guardianship and
2 Advocacy Commission incident to the provision of legal or
3 guardianship services to eligible persons or wards pursuant to
4 subsection (i) of Section 5 of the Guardianship and Advocacy
5 Act shall be paid into the Guardianship and Advocacy Fund.

6 Appropriations for the improvement, development, addition
7 or expansion of legal and guardianship services for eligible
8 persons or wards pursuant to Section 5 of the Guardianship and
9 Advocacy Act or for the financing of any program designed to
10 provide such improvement, development, addition or expansion
11 of services or for expenses incurred in administering the
12 Human Rights Authority, Legal Advocacy Service and Office of
13 State Guardian are payable from the Guardianship and Advocacy
14 Fund.

15 (Source: P.A. 86-448; 86-1028.)

16 Section 65-10. The Clerks of Courts Act is amended by
17 changing Section 27.1b as follows:

18 (705 ILCS 105/27.1b)

19 Sec. 27.1b. Circuit court clerk fees. Notwithstanding any
20 other provision of law, all fees charged by the clerks of the
21 circuit court for the services described in this Section shall
22 be established, collected, and disbursed in accordance with
23 this Section. Except as otherwise specified in this Section,
24 all fees under this Section shall be paid in advance and

1 disbursed by each clerk on a monthly basis. In a county with a
2 population of over 3,000,000, units of local government and
3 school districts shall not be required to pay fees under this
4 Section in advance and the clerk shall instead send an
5 itemized bill to the unit of local government or school
6 district, within 30 days of the fee being incurred, and the
7 unit of local government or school district shall be allowed
8 at least 30 days from the date of the itemized bill to pay;
9 these payments shall be disbursed by each clerk on a monthly
10 basis. Unless otherwise specified in this Section, the amount
11 of a fee shall be determined by ordinance or resolution of the
12 county board and remitted to the county treasurer to be used
13 for purposes related to the operation of the court system in
14 the county. In a county with a population of over 3,000,000,
15 any amount retained by the clerk of the circuit court or
16 remitted to the county treasurer shall be subject to
17 appropriation by the county board.

18 (a) Civil cases. The fee for filing a complaint, petition,
19 or other pleading initiating a civil action shall be as set
20 forth in the applicable schedule under this subsection in
21 accordance with case categories established by the Supreme
22 Court in schedules.

23 (1) SCHEDULE 1: not to exceed a total of \$371 ~~\$366~~ in a
24 county with a population of 3,000,000 or more and not to
25 exceed \$321 ~~\$316~~ in any other county, except as applied to
26 units of local government and school districts in counties

1 with more than 3,000,000 inhabitants an amount not to
2 exceed \$195 ~~\$190 through December 31, 2021 and \$184 on and~~
3 ~~after January 1, 2022~~. The fees collected under this
4 schedule shall be disbursed as follows:

5 (A) The clerk shall retain a sum, in an amount not
6 to exceed \$55 in a county with a population of
7 3,000,000 or more and in an amount not to exceed \$45 in
8 any other county determined by the clerk with the
9 approval of the Supreme Court, to be used for court
10 automation, court document storage, and administrative
11 purposes.

12 (B) The clerk shall remit up to \$26 ~~\$21~~ to the
13 State Treasurer. The State Treasurer shall deposit the
14 appropriate amounts, in accordance with the clerk's
15 instructions, as follows:

16 (i) up to \$10, as specified by the Supreme
17 Court in accordance with Part 10A of Article II of
18 the Code of Civil Procedure, into the Mandatory
19 Arbitration Fund;

20 (ii) \$2 into the Access to Justice Fund; ~~and~~

21 (iii) \$5 into the Guardianship and Advocacy
22 Fund; and

23 (iv) ~~(iii)~~ \$9 into the Supreme Court Special
24 Purposes Fund.

25 (C) The clerk shall remit a sum to the County
26 Treasurer, in an amount not to exceed \$290 in a county

1 with a population of 3,000,000 or more and in an amount
2 not to exceed \$250 in any other county, as specified by
3 ordinance or resolution passed by the county board,
4 for purposes related to the operation of the court
5 system in the county.

6 (2) SCHEDULE 2: not to exceed a total of \$362 ~~\$357~~ in a
7 county with a population of 3,000,000 or more and not to
8 exceed \$266 in any other county, except as applied to
9 units of local government and school districts in counties
10 with more than 3,000,000 inhabitants an amount not to
11 exceed \$190 through December 31, 2021 and \$184 on and
12 after January 1, 2022. The fees collected under this
13 schedule shall be disbursed as follows:

14 (A) The clerk shall retain a sum, in an amount not
15 to exceed \$55 in a county with a population of
16 3,000,000 or more and in an amount not to exceed \$45 in
17 any other county determined by the clerk with the
18 approval of the Supreme Court, to be used for court
19 automation, court document storage, and administrative
20 purposes.

21 (B) The clerk shall remit up to \$21 to the State
22 Treasurer. The State Treasurer shall deposit the
23 appropriate amounts, in accordance with the clerk's
24 instructions, as follows:

25 (i) up to \$10, as specified by the Supreme
26 Court in accordance with Part 10A of Article II of

1 the Code of Civil Procedure, into the Mandatory
2 Arbitration Fund;

3 (ii) \$2 into the Access to Justice Fund: and

4 (iii) \$9 into the Supreme Court Special
5 Purposes Fund.

6 (C) The clerk shall remit a sum to the County
7 Treasurer, in an amount not to exceed \$281 in a county
8 with a population of 3,000,000 or more and in an amount
9 not to exceed \$200 in any other county, as specified by
10 ordinance or resolution passed by the county board,
11 for purposes related to the operation of the court
12 system in the county.

13 (3) SCHEDULE 3: not to exceed a total of \$270 ~~\$265~~ in a
14 county with a population of 3,000,000 or more and not to
15 exceed \$94 ~~\$89~~ in any other county, except as applied to
16 units of local government and school districts in counties
17 with more than 3,000,000 inhabitants an amount not to
18 exceed \$195 ~~\$190~~ through December 31, 2021 and ~~\$184~~ on and
19 ~~after January 1, 2022~~. The fees collected under this
20 schedule shall be disbursed as follows:

21 (A) The clerk shall retain a sum, in an amount not
22 to exceed \$55 in a county with a population of
23 3,000,000 or more and in an amount not to exceed \$22 in
24 any other county determined by the clerk with the
25 approval of the Supreme Court, to be used for court
26 automation, court document storage, and administrative

1 purposes.

2 (B) The clerk shall remit \$16 ~~\$11~~ to the State
3 Treasurer. The State Treasurer shall deposit the
4 appropriate amounts in accordance with the clerk's
5 instructions, as follows:

6 (i) \$2 into the Access to Justice Fund; ~~and~~

7 (ii) \$5 into the Guardianship and Advocacy
8 Fund; and

9 (iii) ~~(ii)~~ \$9 into the Supreme Court Special
10 Purposes Fund.

11 (C) The clerk shall remit a sum to the County
12 Treasurer, in an amount not to exceed \$199 in a county
13 with a population of 3,000,000 or more and in an amount
14 not to exceed \$56 in any other county, as specified by
15 ordinance or resolution passed by the county board,
16 for purposes related to the operation of the court
17 system in the county.

18 (4) SCHEDULE 4: \$0.

19 (b) Appearance. The fee for filing an appearance in a
20 civil action, including a cannabis civil law action under the
21 Cannabis Control Act, shall be as set forth in the applicable
22 schedule under this subsection in accordance with case
23 categories established by the Supreme Court in schedules.

24 (1) SCHEDULE 1: not to exceed a total of \$235 ~~\$230~~ in a
25 county with a population of 3,000,000 or more and not to
26 exceed \$196 ~~\$191~~ in any other county, except as applied to

1 units of local government and school districts in counties
2 with more than 3,000,000 inhabitants an amount not to
3 exceed \$80 ~~\$75~~. The fees collected under this schedule
4 shall be disbursed as follows:

5 (A) The clerk shall retain a sum, in an amount not
6 to exceed \$50 in a county with a population of
7 3,000,000 or more and in an amount not to exceed \$45 in
8 any other county determined by the clerk with the
9 approval of the Supreme Court, to be used for court
10 automation, court document storage, and administrative
11 purposes.

12 (B) The clerk shall remit up to \$26 ~~\$21~~ to the
13 State Treasurer. The State Treasurer shall deposit the
14 appropriate amounts, in accordance with the clerk's
15 instructions, as follows:

16 (i) up to \$10, as specified by the Supreme
17 Court in accordance with Part 10A of Article II of
18 the Code of Civil Procedure, into the Mandatory
19 Arbitration Fund;

20 (ii) \$2 into the Access to Justice Fund; ~~and~~

21 (iii) \$5 into the Guardianship and Advocacy
22 Fund; and

23 (iv) ~~(iii)~~ \$9 into the Supreme Court Special
24 Purposes Fund.

25 (C) The clerk shall remit a sum to the County
26 Treasurer, in an amount not to exceed \$159 in a county

1 with a population of 3,000,000 or more and in an amount
2 not to exceed \$125 in any other county, as specified by
3 ordinance or resolution passed by the county board,
4 for purposes related to the operation of the court
5 system in the county.

6 (2) SCHEDULE 2: not to exceed a total of \$135 ~~\$130~~ in a
7 county with a population of 3,000,000 or more and not to
8 exceed \$114 ~~\$109~~ in any other county, except as applied to
9 units of local government and school districts in counties
10 with more than 3,000,000 inhabitants an amount not to
11 exceed \$80 ~~\$75~~. The fees collected under this schedule
12 shall be disbursed as follows:

13 (A) The clerk shall retain a sum, in an amount not
14 to exceed \$50 in a county with a population of
15 3,000,000 or more and in an amount not to exceed \$10 in
16 any other county determined by the clerk with the
17 approval of the Supreme Court, to be used for court
18 automation, court document storage, and administrative
19 purposes.

20 (B) The clerk shall remit up to \$14 ~~\$9~~ to the State
21 Treasurer. The ~~, which the~~ State Treasurer shall
22 deposit the appropriate amounts, in accordance with
23 the clerk's instructions, as follows: into the Supreme
24 Court Special Purposes Fund.

25 (i) \$5 into the Guardianship and Advocacy
26 Fund; and

1 (ii) \$9 into the Supreme Court Special
2 Purposes Fund.

3 (C) The clerk shall remit a sum to the County
4 Treasurer, in an amount not to exceed \$71 in a county
5 with a population of 3,000,000 or more and in an amount
6 not to exceed \$90 in any other county, as specified by
7 ordinance or resolution passed by the county board,
8 for purposes related to the operation of the court
9 system in the county.

10 (3) SCHEDULE 3: \$0.

11 (b-5) Kane County and Will County. In Kane County and Will
12 County civil cases, there is an additional fee of up to \$30 as
13 set by the county board under Section 5-1101.3 of the Counties
14 Code to be paid by each party at the time of filing the first
15 pleading, paper, or other appearance; provided that no
16 additional fee shall be required if more than one party is
17 represented in a single pleading, paper, or other appearance.
18 Distribution of fees collected under this subsection (b-5)
19 shall be as provided in Section 5-1101.3 of the Counties Code.

20 (c) Counterclaim or third party complaint. When any
21 defendant files a counterclaim or third party complaint, as
22 part of the defendant's answer or otherwise, the defendant
23 shall pay a filing fee for each counterclaim or third party
24 complaint in an amount equal to the filing fee the defendant
25 would have had to pay had the defendant brought a separate
26 action for the relief sought in the counterclaim or third

1 party complaint, less the amount of the appearance fee, if
2 any, that the defendant has already paid in the action in which
3 the counterclaim or third party complaint is filed.

4 (d) Alias summons. The clerk shall collect a fee not to
5 exceed \$6 in a county with a population of 3,000,000 or more
6 and not to exceed \$5 in any other county for each alias summons
7 or citation issued by the clerk, except as applied to units of
8 local government and school districts in counties with more
9 than 3,000,000 inhabitants an amount not to exceed \$5 for each
10 alias summons or citation issued by the clerk.

11 (e) Jury services. The clerk shall collect, in addition to
12 other fees allowed by law, a sum not to exceed \$212.50, as a
13 fee for the services of a jury in every civil action not
14 quasi-criminal in its nature and not a proceeding for the
15 exercise of the right of eminent domain and in every other
16 action wherein the right of trial by jury is or may be given by
17 law. The jury fee shall be paid by the party demanding a jury
18 at the time of filing the jury demand. If the fee is not paid
19 by either party, no jury shall be called in the action or
20 proceeding, and the action or proceeding shall be tried by the
21 court without a jury.

22 (f) Change of venue. In connection with a change of venue:

23 (1) The clerk of the jurisdiction from which the case
24 is transferred may charge a fee, not to exceed \$40, for the
25 preparation and certification of the record; and

26 (2) The clerk of the jurisdiction to which the case is

1 transferred may charge the same filing fee as if it were
2 the commencement of a new suit.

3 (g) Petition to vacate or modify.

4 (1) In a proceeding involving a petition to vacate or
5 modify any final judgment or order filed within 30 days
6 after the judgment or order was entered, except for an
7 eviction case, small claims case, petition to reopen an
8 estate, petition to modify, terminate, or enforce a
9 judgment or order for child or spousal support, or
10 petition to modify, suspend, or terminate an order for
11 withholding, the fee shall not exceed \$60 in a county with
12 a population of 3,000,000 or more and shall not exceed \$50
13 in any other county, except as applied to units of local
14 government and school districts in counties with more than
15 3,000,000 inhabitants an amount not to exceed \$50.

16 (2) In a proceeding involving a petition to vacate or
17 modify any final judgment or order filed more than 30 days
18 after the judgment or order was entered, except for a
19 petition to modify, terminate, or enforce a judgment or
20 order for child or spousal support, or petition to modify,
21 suspend, or terminate an order for withholding, the fee
22 shall not exceed \$75.

23 (3) In a proceeding involving a motion to vacate or
24 amend a final order, motion to vacate an ex parte
25 judgment, judgment of forfeiture, or "failure to appear"
26 or "failure to comply" notices sent to the Secretary of

1 State, the fee shall equal \$40.

2 (h) Appeals preparation. The fee for preparation of a
3 record on appeal shall be based on the number of pages, as
4 follows:

5 (1) if the record contains no more than 100 pages, the
6 fee shall not exceed \$70 in a county with a population of
7 3,000,000 or more and shall not exceed \$50 in any other
8 county;

9 (2) if the record contains between 100 and 200 pages,
10 the fee shall not exceed \$100; and

11 (3) if the record contains 200 or more pages, the
12 clerk may collect an additional fee not to exceed 25 cents
13 per page.

14 (i) Remands. In any cases remanded to the circuit court
15 from the Supreme Court or the appellate court for a new trial,
16 the clerk shall reinstate the case with either its original
17 number or a new number. The clerk shall not charge any new or
18 additional fee for the reinstatement. Upon reinstatement, the
19 clerk shall advise the parties of the reinstatement. Parties
20 shall have the same right to a jury trial on remand and
21 reinstatement that they had before the appeal, and no
22 additional or new fee or charge shall be made for a jury trial
23 after remand.

24 (j) Garnishment, wage deduction, and citation. In
25 garnishment affidavit, wage deduction affidavit, and citation
26 petition proceedings:

1 (1) if the amount in controversy in the proceeding is
2 not more than \$1,000, the fee may not exceed \$35 in a
3 county with a population of 3,000,000 or more and may not
4 exceed \$15 in any other county, except as applied to units
5 of local government and school districts in counties with
6 more than 3,000,000 inhabitants an amount not to exceed
7 \$15;

8 (2) if the amount in controversy in the proceeding is
9 greater than \$1,000 and not more than \$5,000, the fee may
10 not exceed \$45 in a county with a population of 3,000,000
11 or more and may not exceed \$30 in any other county, except
12 as applied to units of local government and school
13 districts in counties with more than 3,000,000 inhabitants
14 an amount not to exceed \$30; and

15 (3) if the amount in controversy in the proceeding is
16 greater than \$5,000, the fee may not exceed \$65 in a county
17 with a population of 3,000,000 or more and may not exceed
18 \$50 in any other county, except as applied to units of
19 local government and school districts in counties with
20 more than 3,000,000 inhabitants an amount not to exceed
21 \$50.

22 (j-5) Debt collection. In any proceeding to collect a debt
23 subject to the exception in item (ii) of subparagraph (A-5) of
24 paragraph (1) of subsection (z) of this Section, the circuit
25 court shall order and the clerk shall collect from each
26 judgment debtor a fee of:

1 (1) \$35 if the amount in controversy in the proceeding
2 is not more than \$1,000;

3 (2) \$45 if the amount in controversy in the proceeding
4 is greater than \$1,000 and not more than \$5,000; and

5 (3) \$65 if the amount in controversy in the proceeding
6 is greater than \$5,000.

7 (k) Collections.

8 (1) For all collections made of others, except the
9 State and county and except in maintenance or child
10 support cases, the clerk may collect a fee of up to 2.5% of
11 the amount collected and turned over.

12 (2) In child support and maintenance cases, the clerk
13 may collect an annual fee of up to \$36 from the person
14 making payment for maintaining child support records and
15 the processing of support orders to the State of Illinois
16 KIDS system and the recording of payments issued by the
17 State Disbursement Unit for the official record of the
18 Court. This fee is in addition to and separate from
19 amounts ordered to be paid as maintenance or child support
20 and shall be deposited into a Separate Maintenance and
21 Child Support Collection Fund, of which the clerk shall be
22 the custodian, ex officio, to be used by the clerk to
23 maintain child support orders and record all payments
24 issued by the State Disbursement Unit for the official
25 record of the Court. The clerk may recover from the person
26 making the maintenance or child support payment any

1 additional cost incurred in the collection of this annual
2 fee.

3 (3) The clerk may collect a fee of \$5 for
4 certifications made to the Secretary of State as provided
5 in Section 7-703 of the Illinois Vehicle Code, and this
6 fee shall be deposited into the Separate Maintenance and
7 Child Support Collection Fund.

8 (4) In proceedings to foreclose the lien of delinquent
9 real estate taxes, State's Attorneys shall receive a fee
10 of 10% of the total amount realized from the sale of real
11 estate sold in the proceedings. The clerk shall collect
12 the fee from the total amount realized from the sale of the
13 real estate sold in the proceedings and remit to the
14 County Treasurer to be credited to the earnings of the
15 Office of the State's Attorney.

16 (l) Mailing. The fee for the clerk mailing documents shall
17 not exceed \$10 plus the cost of postage.

18 (m) Certified copies. The fee for each certified copy of a
19 judgment, after the first copy, shall not exceed \$10.

20 (n) Certification, authentication, and reproduction.

21 (1) The fee for each certification or authentication
22 for taking the acknowledgment of a deed or other
23 instrument in writing with the seal of office shall not
24 exceed \$6.

25 (2) The fee for reproduction of any document contained
26 in the clerk's files shall not exceed:

1 (A) \$2 for the first page;

2 (B) 50 cents per page for the next 19 pages; and

3 (C) 25 cents per page for all additional pages.

4 (o) Record search. For each record search, within a
5 division or municipal district, the clerk may collect a search
6 fee not to exceed \$6 for each year searched.

7 (p) Hard copy. For each page of hard copy print output,
8 when case records are maintained on an automated medium, the
9 clerk may collect a fee not to exceed \$10 in a county with a
10 population of 3,000,000 or more and not to exceed \$6 in any
11 other county, except as applied to units of local government
12 and school districts in counties with more than 3,000,000
13 inhabitants an amount not to exceed \$6.

14 (q) Index inquiry and other records. No fee shall be
15 charged for a single plaintiff and defendant index inquiry or
16 single case record inquiry when this request is made in person
17 and the records are maintained in a current automated medium,
18 and when no hard copy print output is requested. The fees to be
19 charged for management records, multiple case records, and
20 multiple journal records may be specified by the Chief Judge
21 pursuant to the guidelines for access and dissemination of
22 information approved by the Supreme Court.

23 (r) Performing a marriage. There shall be a \$10 fee for
24 performing a marriage in court.

25 (s) Voluntary assignment. For filing each deed of
26 voluntary assignment, the clerk shall collect a fee not to

1 exceed \$20. For recording a deed of voluntary assignment, the
2 clerk shall collect a fee not to exceed 50 cents for each 100
3 words. Exceptions filed to claims presented to an assignee of
4 a debtor who has made a voluntary assignment for the benefit of
5 creditors shall be considered and treated, for the purpose of
6 taxing costs therein, as actions in which the party or parties
7 filing the exceptions shall be considered as party or parties
8 plaintiff, and the claimant or claimants as party or parties
9 defendant, and those parties respectively shall pay to the
10 clerk the same fees as provided by this Section to be paid in
11 other actions.

12 (t) Expungement petition. Except as provided in Sections
13 1-19 and 5-915 of the Juvenile Court Act of 1987, the clerk may
14 collect a fee not to exceed \$60 for each expungement petition
15 filed and an additional fee not to exceed \$4 for each certified
16 copy of an order to expunge arrest records.

17 (u) Transcripts of judgment. For the filing of a
18 transcript of judgment, the clerk may collect the same fee as
19 if it were the commencement of a new suit.

20 (v) Probate filings.

21 (1) For each account (other than one final account)
22 filed in the estate of a decedent, ~~or ward,~~ the fee shall
23 not exceed \$25. No fee may be charged for accounts filed
24 for guardianships established for minors pursuant to
25 Article XI of the Probate Act of 1975 or for disabled
26 adults under Article XIa of the Probate Act of 1975.

1 (2) For filing a claim in an estate when the amount
2 claimed is greater than \$150 and not more than \$500, the
3 fee shall not exceed \$40 in a county with a population of
4 3,000,000 or more and shall not exceed \$25 in any other
5 county; when the amount claimed is greater than \$500 and
6 not more than \$10,000, the fee shall not exceed \$55 in a
7 county with a population of 3,000,000 or more and shall
8 not exceed \$40 in any other county; and when the amount
9 claimed is more than \$10,000, the fee shall not exceed \$75
10 in a county with a population of 3,000,000 or more and
11 shall not exceed \$60 in any other county; except the court
12 in allowing a claim may add to the amount allowed the
13 filing fee paid by the claimant.

14 (3) For filing in an estate a claim, petition, or
15 supplemental proceeding based upon an action seeking
16 equitable relief including the construction or contest of
17 a will, enforcement of a contract to make a will, and
18 proceedings involving testamentary trusts or the
19 appointment of testamentary trustees, the fee shall not
20 exceed \$60.

21 (4) There shall be no fee for filing in an estate: (i)
22 the appearance of any person for the purpose of consent;
23 or (ii) the appearance of an executor, administrator,
24 administrator to collect, guardian, guardian ad litem, or
25 special administrator.

26 (5) For each jury demand, the fee shall not exceed

1 \$137.50.

2 (6) For each certified copy of letters of office, of
3 court order, or other certification, the fee shall not
4 exceed \$2 per page.

5 (7) For each exemplification, the fee shall not exceed
6 \$2, plus the fee for certification.

7 (8) The executor, administrator, guardian, petitioner,
8 or other interested person or his or her attorney shall
9 pay the cost of publication by the clerk directly to the
10 newspaper.

11 (9) The person on whose behalf a charge is incurred
12 for witness, court reporter, appraiser, or other
13 miscellaneous fees shall pay the same directly to the
14 person entitled thereto.

15 (10) The executor, administrator, guardian,
16 petitioner, or other interested person or his or her
17 attorney shall pay to the clerk all postage charges
18 incurred by the clerk in mailing petitions, orders,
19 notices, or other documents pursuant to the provisions of
20 the Probate Act of 1975.

21 (w) Corrections of numbers. For correction of the case
22 number, case title, or attorney computer identification
23 number, if required by rule of court, on any document filed in
24 the clerk's office, to be charged against the party that filed
25 the document, the fee shall not exceed \$25.

26 (x) Miscellaneous.

1 (1) Interest earned on any fees collected by the clerk
2 shall be turned over to the county general fund as an
3 earning of the office.

4 (2) For any check, draft, or other bank instrument
5 returned to the clerk for non-sufficient funds, account
6 closed, or payment stopped, the clerk shall collect a fee
7 of \$25.

8 (y) Other fees. Any fees not covered in this Section shall
9 be set by rule or administrative order of the circuit court
10 with the approval of the Administrative Office of the Illinois
11 Courts. The clerk of the circuit court may provide services in
12 connection with the operation of the clerk's office, other
13 than those services mentioned in this Section, as may be
14 requested by the public and agreed to by the clerk and approved
15 by the Chief Judge. Any charges for additional services shall
16 be as agreed to between the clerk and the party making the
17 request and approved by the Chief Judge. Nothing in this
18 subsection shall be construed to require any clerk to provide
19 any service not otherwise required by law.

20 (y-5) Unpaid fees. Unless a court ordered payment schedule
21 is implemented or the fee requirements of this Section are
22 waived under a court order, the clerk of the circuit court may
23 add to any unpaid fees and costs under this Section a
24 delinquency amount equal to 5% of the unpaid fees that remain
25 unpaid after 30 days, 10% of the unpaid fees that remain unpaid
26 after 60 days, and 15% of the unpaid fees that remain unpaid

1 after 90 days. Notice to those parties may be made by signage
2 posting or publication. The additional delinquency amounts
3 collected under this Section shall be deposited into the
4 Circuit Court Clerk Operations and Administration Fund and
5 used to defray additional administrative costs incurred by the
6 clerk of the circuit court in collecting unpaid fees and
7 costs.

8 (z) Exceptions.

9 (1) No fee authorized by this Section shall apply to:

10 (A) police departments or other law enforcement
11 agencies. In this Section, "law enforcement agency"
12 means: an agency of the State or agency of a unit of
13 local government which is vested by law or ordinance
14 with the duty to maintain public order and to enforce
15 criminal laws or ordinances; the Attorney General; or
16 any State's Attorney;

17 (A-5) any unit of local government or school
18 district, except in counties having a population of
19 500,000 or more the county board may by resolution set
20 fees for units of local government or school districts
21 no greater than the minimum fees applicable in
22 counties with a population less than 3,000,000;
23 provided however, no fee may be charged to any unit of
24 local government or school district in connection with
25 any action which, in whole or in part, is: (i) to
26 enforce an ordinance; (ii) to collect a debt; or (iii)

1 under the Administrative Review Law;

2 (B) any action instituted by the corporate
3 authority of a municipality with more than 1,000,000
4 inhabitants under Section 11-31-1 of the Illinois
5 Municipal Code and any action instituted under
6 subsection (b) of Section 11-31-1 of the Illinois
7 Municipal Code by a private owner or tenant of real
8 property within 1,200 feet of a dangerous or unsafe
9 building seeking an order compelling the owner or
10 owners of the building to take any of the actions
11 authorized under that subsection;

12 (C) any commitment petition, petition for
13 discharge petition, or petition for an order
14 authorizing the administration of psychotropic
15 medication or electroconvulsive therapy under the
16 Mental Health and Developmental Disabilities Code;

17 (D) a petitioner in any order of protection
18 proceeding, including, but not limited to, fees for
19 filing, modifying, withdrawing, certifying, or
20 photocopying petitions for orders of protection,
21 issuing alias summons, any related filing service, or
22 certifying, modifying, vacating, or photocopying any
23 orders of protection;

24 (E) proceedings for the appointment of a
25 confidential intermediary under the Adoption Act;

26 (F) a minor subject to Article III, IV, or V of the

1 Juvenile Court Act of 1987, or the minor's parent,
2 guardian, or legal custodian; or

3 (G) a minor under the age of 18 transferred to
4 adult court or excluded from juvenile court
5 jurisdiction under Article V of the Juvenile Court Act
6 of 1987, or the minor's parent, guardian, or legal
7 custodian.

8 (2) No fee other than the filing fee contained in the
9 applicable schedule in subsection (a) shall be charged to
10 any person in connection with an adoption proceeding.

11 (3) Upon good cause shown, the court may waive any
12 fees associated with a special needs adoption. The term
13 "special needs adoption" has the meaning provided by the
14 Illinois Department of Children and Family Services.

15 (4) No fee may be charged for the filing of an
16 appearance by any defendant in a small claim proceeding.
17 As used in this Section, "small claim" means a proceeding
18 as defined in Supreme Court Rule 281.

19 (Source: P.A. 103-4, eff. 5-31-23; 103-379, eff. 7-28-23;
20 103-605, eff. 7-1-24; 104-120, eff. 1-1-26.)

21 (705 ILCS 105/27.3f rep.)

22 Section 65-15. The Clerks of Courts Act is amended by
23 repealing Section 27.3f.

1 Section 70-5. The Department of Commerce and Economic
2 Opportunity Law of the Civil Administrative Code of Illinois
3 is amended by changing Section 605-1025 as follows:

4 (20 ILCS 605/605-1025)

5 Sec. 605-1025. Data center investment.

6 (a) The Department shall issue certificates of exemption
7 from the Retailers' Occupation Tax Act, the Use Tax Act, the
8 Service Use Tax Act, and the Service Occupation Tax Act, all
9 locally-imposed retailers' occupation taxes administered and
10 collected by the Department of Revenue, the Chicago non-titled
11 Use Tax, and a credit certification against the taxes imposed
12 under subsections (a) and (b) of Section 201 of the Illinois
13 Income Tax Act to qualifying Illinois data centers.

14 (b) For taxable years beginning on or after January 1,
15 2019, the Department shall award credits against the taxes
16 imposed under subsections (a) and (b) of Section 201 of the
17 Illinois Income Tax Act as provided in Section 229 of the
18 Illinois Income Tax Act.

19 (c) For purposes of this Section:

20 "Data center" means a facility: (1) whose primary
21 services are the storage, management, and processing of
22 digital data; and (2) that is used to house (i) computer
23 and network systems, including associated components such
24 as servers, network equipment and appliances,

1 telecommunications, and data storage systems, (ii) systems
2 for monitoring and managing infrastructure performance,
3 (iii) Internet-related equipment and services, (iv) data
4 communications connections, (v) environmental controls,
5 (vi) fire protection systems, and (vii) security systems
6 and services.

7 "Qualifying Illinois data center" means a new or
8 existing data center that:

9 (1) is located in the State of Illinois;

10 (2) in the case of an existing data center, made a
11 capital investment of at least \$250,000,000
12 collectively by the data center operator and the
13 tenants of the data center over the 60-month period
14 immediately prior to January 1, 2020 or committed to
15 make a capital investment of at least \$250,000,000
16 over a 60-month period commencing before January 1,
17 2020 and ending after January 1, 2020; or

18 (3) in the case of a new data center, or an
19 existing data center making an upgrade, makes a
20 capital investment of at least \$250,000,000 over a
21 60-month period beginning on or after January 1, 2020;
22 and

23 (4) in the case of both existing and new data
24 centers, results in the creation of at least 20
25 full-time or full-time equivalent new jobs over a
26 period of 60 months by the data center operator and the

1 tenants of the data center, collectively, associated
2 with the operation or maintenance of the data center;
3 those jobs must have a total compensation equal to or
4 greater than 120% of the average wage paid to
5 full-time employees in the county where the data
6 center is located, as determined by the U.S. Bureau of
7 Labor Statistics; and

8 (5) within 2 years after being placed in service,
9 certifies to the Department that it is carbon neutral
10 or has attained certification under one or more of the
11 following green building standards:

12 (A) BREEAM for New Construction or BREEAM
13 In-Use;

14 (B) ENERGY STAR;

15 (C) Envision;

16 (D) ISO 50001-energy management;

17 (E) LEED for Building Design and Construction
18 or LEED for Operations and Maintenance;

19 (F) Green Globes for New Construction or Green
20 Globes for Existing Buildings;

21 (G) UL 3223; or

22 (H) an equivalent program approved by the
23 Department of Commerce and Economic Opportunity.

24 "Full-time equivalent job" means a job in which the
25 new employee works for the owner, operator, contractor, or
26 tenant of a data center or for a corporation under

1 contract with the owner, operator or tenant of a data
2 center at a rate of at least 35 hours per week. An owner,
3 operator or tenant who employs labor or services at a
4 specific site or facility under contract with another may
5 declare one full-time, permanent job for every 1,820 man
6 hours worked per year under that contract. Vacations, paid
7 holidays, and sick time are included in this computation.
8 Overtime is not considered a part of regular hours.

9 "Qualified tangible personal property" means:
10 electrical systems and equipment; climate control and
11 chilling equipment and systems; mechanical systems and
12 equipment; monitoring and secure systems; emergency
13 generators; hardware; computers; servers; data storage
14 devices; network connectivity equipment; racks; cabinets;
15 telecommunications cabling infrastructure; raised floor
16 systems; peripheral components or systems; software;
17 mechanical, electrical, or plumbing systems; battery
18 systems; cooling systems and towers; temperature control
19 systems; other cabling; and other data center
20 infrastructure equipment and systems necessary to operate
21 qualified tangible personal property, including fixtures;
22 and component parts of any of the foregoing, including
23 installation, maintenance, repair, refurbishment, and
24 replacement of qualified tangible personal property to
25 generate, transform, transmit, distribute, or manage
26 electricity necessary to operate qualified tangible

1 personal property; and all other tangible personal
2 property that is essential to the operations of a computer
3 data center. "Qualified tangible personal property" also
4 includes building materials physically incorporated in to
5 the qualifying data center.

6 To document the exemption allowed under this Section, the
7 retailer must obtain from the purchaser a copy of the
8 certificate of eligibility issued by the Department.

9 (d) New and existing data centers seeking a certificate of
10 exemption for new or existing facilities shall apply to the
11 Department in the manner specified by the Department. The
12 Department shall determine the duration of the certificate of
13 exemption awarded under this Act. The duration of the
14 certificate of exemption may not exceed 20 calendar years. The
15 Department and any data center seeking the exemption,
16 including a data center operator on behalf of itself and its
17 tenants, must enter into a memorandum of understanding that at
18 a minimum provides:

19 (1) the details for determining the amount of capital
20 investment to be made;

21 (2) the number of new jobs created;

22 (3) the timeline for achieving the capital investment
23 and new job goals;

24 (4) the repayment obligation should those goals not be
25 achieved and any conditions under which repayment by the
26 qualifying data center or data center tenant claiming the

1 exemption will be required;

2 (5) the duration of the exemption; and

3 (6) other provisions as deemed necessary by the
4 Department.

5 (e) Beginning July 1, 2021, and each year thereafter, the
6 Department shall annually report to the Governor and the
7 General Assembly on the outcomes and effectiveness of Public
8 Act 101-31 that shall include the following:

9 (1) the name of each recipient business;

10 (2) the location of the project;

11 (3) the estimated value of the credit;

12 (4) the number of new jobs and, if applicable,
13 retained jobs pledged as a result of the project; and

14 (5) whether or not the project is located in an
15 underserved area.

16 (f) New and existing data centers seeking a certificate of
17 exemption related to the rehabilitation or construction of
18 data centers in the State shall require the contractor and all
19 subcontractors to comply with the requirements of Section
20 30-22 of the Illinois Procurement Code as they apply to
21 responsible bidders and to present satisfactory evidence of
22 that compliance to the Department.

23 (g) New and existing data centers seeking a certificate of
24 exemption for the rehabilitation or construction of data
25 centers in the State shall require the contractor to enter
26 into a project labor agreement approved by the Department.

1 (h) Any qualifying data center issued a certificate of
2 exemption under this Section must annually report to the
3 Department the total data center tax benefits that are
4 received by the business. Reports are due no later than May 31
5 of each year and shall cover the previous calendar year. The
6 first report is for the 2019 calendar year and is due no later
7 than May 31, 2020.

8 To the extent that a business issued a certificate of
9 exemption under this Section has obtained an Enterprise Zone
10 Building Materials Exemption Certificate or a High Impact
11 Business Building Materials Exemption Certificate, no
12 additional reporting for those building materials exemption
13 benefits is required under this Section.

14 Failure to file a report under this subsection (h) may
15 result in suspension or revocation of the certificate of
16 exemption. Factors to be considered in determining whether a
17 data center certificate of exemption shall be suspended or
18 revoked include, but are not limited to, prior compliance with
19 the reporting requirements, cooperation in discontinuing and
20 correcting violations, the extent of the violation, and
21 whether the violation was willful or inadvertent.

22 (i) The Department shall not issue any new certificates of
23 exemption under the provisions of this Section after July 1,
24 2029. This sunset shall not affect any existing certificates
25 of exemption in effect on July 1, 2029.

26 (j) The Department shall adopt rules to implement and

1 administer this Section.

2 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 12-13-19;
3 102-427, eff. 8-20-21; 102-558, eff. 8-20-21.)

4 Section 70-10. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 2505-70 as follows:

7 (20 ILCS 2505/2505-70) (was 20 ILCS 2505/39b24)

8 Sec. 2505-70. ~~Messages Tax Act~~, Gas Revenue Tax Act. The
9 Department has the power to exercise all the rights, powers,
10 and duties vested in the Department by the ~~Messages Tax Act and~~
11 ~~the~~ Gas Revenue Tax Act.

12 (Source: P.A. 91-239, eff. 1-1-00.)

13 Section 70-15. The State Revenue Sharing Act is amended by
14 changing Section 12 as follows:

15 (30 ILCS 115/12) (from Ch. 85, par. 616)

16 Sec. 12. Personal Property Tax Replacement Fund. There is
17 hereby created the Personal Property Tax Replacement Fund, a
18 special fund in the State Treasury into which shall be paid all
19 revenue realized:

20 (a) all amounts realized from the additional personal
21 property tax replacement income tax imposed by subsections
22 (c) and (d) of Section 201 of the Illinois Income Tax Act,

1 except for those amounts deposited into the Income Tax
2 Refund Fund pursuant to subsection (c) of Section 901 of
3 the Illinois Income Tax Act; and

4 (b) all amounts realized from the additional personal
5 property replacement invested capital taxes imposed by
6 ~~Section 2a.1 of the Messages Tax Act,~~ Section 2a.1 of the
7 Gas Revenue Tax Act, Section 2a.1 of the Public Utilities
8 Revenue Act, and Section 3 of the Water Company Invested
9 Capital Tax Act, and amounts payable to the Department of
10 Revenue under the Telecommunications Infrastructure
11 Maintenance Fee Act.

12 As soon as may be after the end of each month, the
13 Department of Revenue shall certify to the Treasurer and the
14 Comptroller the amount of all refunds paid out of the General
15 Revenue Fund through the preceding month on account of
16 overpayment of liability on taxes paid into the Personal
17 Property Tax Replacement Fund. Upon receipt of such
18 certification, the Treasurer and the Comptroller shall
19 transfer the amount so certified from the Personal Property
20 Tax Replacement Fund into the General Revenue Fund.

21 The payments of revenue into the Personal Property Tax
22 Replacement Fund shall be used exclusively for distribution to
23 taxing districts, regional offices and officials, and local
24 officials as provided in this Section and in the School Code,
25 payment of the ordinary and contingent expenses of the
26 Property Tax Appeal Board, payment of the expenses of the

1 Department of Revenue incurred in administering the collection
2 and distribution of monies paid into the Personal Property Tax
3 Replacement Fund and transfers due to refunds to taxpayers for
4 overpayment of liability for taxes paid into the Personal
5 Property Tax Replacement Fund.

6 In addition, moneys in the Personal Property Tax
7 Replacement Fund may be used to pay any of the following: (i)
8 salary, stipends, and additional compensation as provided by
9 law for chief election clerks, county clerks, and county
10 recorders; (ii) costs associated with regional offices of
11 education and educational service centers; (iii)
12 reimbursements payable by the State Board of Elections under
13 Section 4-25, 5-35, 6-71, 13-10, 13-10a, or 13-11 of the
14 Election Code; (iv) expenses of the Illinois Educational Labor
15 Relations Board; and (v) salary, personal services, and
16 additional compensation as provided by law for court reporters
17 under the Court Reporters Act.

18 As soon as may be after June 26, 1980 (the effective date
19 of Public Act 81-1255), the Department of Revenue shall
20 certify to the Treasurer the amount of net replacement revenue
21 paid into the General Revenue Fund prior to that effective
22 date from the additional tax imposed by ~~Section 2a.1 of the~~
23 ~~Messages Tax Act;~~ Section 2a.1 of the Gas Revenue Tax Act;
24 Section 2a.1 of the Public Utilities Revenue Act; Section 3 of
25 the Water Company Invested Capital Tax Act; amounts collected
26 by the Department of Revenue under the Telecommunications

1 Infrastructure Maintenance Fee Act; and the additional
2 personal property tax replacement income tax imposed by the
3 Illinois Income Tax Act, as amended by Public Act 81-1st
4 Special Session-1. Net replacement revenue shall be defined as
5 the total amount paid into and remaining in the General
6 Revenue Fund as a result of those Acts minus the amount
7 outstanding and obligated from the General Revenue Fund in
8 state vouchers or warrants prior to June 26, 1980 (the
9 effective date of Public Act 81-1255) as refunds to taxpayers
10 for overpayment of liability under those Acts.

11 All interest earned by monies accumulated in the Personal
12 Property Tax Replacement Fund shall be deposited into such
13 Fund. All amounts allocated pursuant to this Section are
14 appropriated on a continuing basis.

15 Prior to December 31, 1980, as soon as may be after the end
16 of each quarter beginning with the quarter ending December 31,
17 1979, and on and after December 31, 1980, as soon as may be
18 after January 1, March 1, April 1, May 1, July 1, August 1,
19 October 1 and December 1 of each year, the Department of
20 Revenue shall allocate to each taxing district as defined in
21 Section 1-150 of the Property Tax Code, in accordance with the
22 provisions of paragraph (2) of this Section the portion of the
23 funds held in the Personal Property Tax Replacement Fund which
24 is required to be distributed, as provided in paragraph (1),
25 for each quarter. Provided, however, under no circumstances
26 shall any taxing district during each of the first 2 years of

1 distribution of the taxes imposed by Public Act 81-1st Special
2 Session-1 be entitled to an annual allocation which is less
3 than the funds such taxing district collected from the 1978
4 personal property tax. Provided further that under no
5 circumstances shall any taxing district during the third year
6 of distribution of the taxes imposed by Public Act 81-1st
7 Special Session-1 receive less than 60% of the funds such
8 taxing district collected from the 1978 personal property tax.
9 In the event that the total of the allocations made as above
10 provided for all taxing districts, during either of such 3
11 years, exceeds the amount available for distribution the
12 allocation of each taxing district shall be proportionately
13 reduced. Except as provided in Section 13 of this Act, the
14 Department shall then certify, pursuant to appropriation, such
15 allocations to the State Comptroller who shall pay over to the
16 several taxing districts the respective amounts allocated to
17 them.

18 Any township which receives an allocation based in whole
19 or in part upon personal property taxes which it levied
20 pursuant to Section 6-507 or 6-512 of the Illinois Highway
21 Code and which was previously required to be paid over to a
22 municipality shall immediately pay over to that municipality a
23 proportionate share of the personal property replacement funds
24 which such township receives.

25 Any municipality or township, other than a municipality
26 with a population in excess of 500,000, which receives an

1 allocation based in whole or in part on personal property
2 taxes which it levied pursuant to Sections 3-1, 3-4 and 3-6 of
3 the Illinois Local Library Act and which was previously
4 required to be paid over to a public library shall immediately
5 pay over to that library a proportionate share of the personal
6 property tax replacement funds which such municipality or
7 township receives; provided that if such a public library has
8 converted to a library organized under the Illinois Public
9 Library District Act, regardless of whether such conversion
10 has occurred on, after or before January 1, 1988, such
11 proportionate share shall be immediately paid over to the
12 library district which maintains and operates the library.
13 However, any library that has converted prior to January 1,
14 1988, and which hitherto has not received the personal
15 property tax replacement funds, shall receive such funds
16 commencing on January 1, 1988.

17 Any township which receives an allocation based in whole
18 or in part on personal property taxes which it levied pursuant
19 to Section 1c of the Public Graveyards Act and which taxes were
20 previously required to be paid over to or used for such public
21 cemetery or cemeteries shall immediately pay over to or use
22 for such public cemetery or cemeteries a proportionate share
23 of the personal property tax replacement funds which the
24 township receives.

25 Any taxing district which receives an allocation based in
26 whole or in part upon personal property taxes which it levied

1 for another governmental body or school district in Cook
2 County in 1976 or for another governmental body or school
3 district in the remainder of the State in 1977 shall
4 immediately pay over to that governmental body or school
5 district the amount of personal property replacement funds
6 which such governmental body or school district would receive
7 directly under the provisions of paragraph (2) of this
8 Section, had it levied its own taxes.

9 (1) The portion of the Personal Property Tax
10 Replacement Fund required to be distributed as of the time
11 allocation is required to be made shall be the amount
12 available in such Fund as of the time allocation is
13 required to be made.

14 The amount available for distribution shall be the
15 total amount in the fund at such time minus the necessary
16 administrative and other authorized expenses as limited by
17 the appropriation and the amount determined by: (a) \$2.8
18 million for fiscal year 1981; (b) for fiscal year 1982,
19 .54% of the funds distributed from the fund during the
20 preceding fiscal year; (c) for fiscal year 1983 through
21 fiscal year 1988, .54% of the funds distributed from the
22 fund during the preceding fiscal year less .02% of such
23 fund for fiscal year 1983 and less .02% of such funds for
24 each fiscal year thereafter; (d) for fiscal year 1989
25 through fiscal year 2011 no more than 105% of the actual
26 administrative expenses of the prior fiscal year; (e) for

1 fiscal year 2012 and beyond, a sufficient amount to pay
2 (i) stipends, additional compensation, salary
3 reimbursements, and other amounts directed to be paid out
4 of this Fund for local officials as authorized or required
5 by statute and (ii) the ordinary and contingent expenses
6 of the Property Tax Appeal Board and the expenses of the
7 Department of Revenue incurred in administering the
8 collection and distribution of moneys paid into the Fund;
9 (f) for fiscal years 2012 and 2013 only, a sufficient
10 amount to pay stipends, additional compensation, salary
11 reimbursements, and other amounts directed to be paid out
12 of this Fund for regional offices and officials as
13 authorized or required by statute; (g) for fiscal years
14 2018 through 2026 only, a sufficient amount to pay amounts
15 directed to be paid out of this Fund for public community
16 college base operating grants and local health protection
17 grants to certified local health departments as authorized
18 or required by appropriation or statute; and (h) for
19 fiscal year 2026 only, a sufficient amount to pay amounts
20 directed to be paid out of this Fund for costs associated
21 with the Illinois Century Network and broadband projects
22 as authorized or required by appropriation or statute.
23 Such portion of the fund shall be determined after the
24 transfer into the General Revenue Fund due to refunds, if
25 any, paid from the General Revenue Fund during the
26 preceding quarter. If at any time, for any reason, there

1 is insufficient amount in the Personal Property Tax
2 Replacement Fund for payments for regional offices and
3 officials or local officials or payment of costs of
4 administration or for transfers due to refunds at the end
5 of any particular month, the amount of such insufficiency
6 shall be carried over for the purposes of payments for
7 regional offices and officials, local officials, transfers
8 into the General Revenue Fund, and costs of administration
9 to the following month or months. Net replacement revenue
10 held, and defined above, shall be transferred by the
11 Treasurer and Comptroller to the Personal Property Tax
12 Replacement Fund within 10 days of such certification.

13 (2) Each quarterly allocation shall first be
14 apportioned in the following manner: 51.65% for taxing
15 districts in Cook County and 48.35% for taxing districts
16 in the remainder of the State.

17 The Personal Property Replacement Ratio of each taxing
18 district outside Cook County shall be the ratio which the Tax
19 Base of that taxing district bears to the Downstate Tax Base.
20 The Tax Base of each taxing district outside of Cook County is
21 the personal property tax collections for that taxing district
22 for the 1977 tax year. The Downstate Tax Base is the personal
23 property tax collections for all taxing districts in the State
24 outside of Cook County for the 1977 tax year. The Department of
25 Revenue shall have authority to review for accuracy and
26 completeness the personal property tax collections for each

1 taxing district outside Cook County for the 1977 tax year.

2 The Personal Property Replacement Ratio of each Cook
3 County taxing district shall be the ratio which the Tax Base of
4 that taxing district bears to the Cook County Tax Base. The Tax
5 Base of each Cook County taxing district is the personal
6 property tax collections for that taxing district for the 1976
7 tax year. The Cook County Tax Base is the personal property tax
8 collections for all taxing districts in Cook County for the
9 1976 tax year. The Department of Revenue shall have authority
10 to review for accuracy and completeness the personal property
11 tax collections for each taxing district within Cook County
12 for the 1976 tax year.

13 For all purposes of this Section 12, amounts paid to a
14 taxing district for such tax years as may be applicable by a
15 foreign corporation under the provisions of Section 7-202 of
16 the Public Utilities Act, as amended, shall be deemed to be
17 personal property taxes collected by such taxing district for
18 such tax years as may be applicable. The Director shall
19 determine from the Illinois Commerce Commission, for any tax
20 year as may be applicable, the amounts so paid by any such
21 foreign corporation to any and all taxing districts. The
22 Illinois Commerce Commission shall furnish such information to
23 the Director. For all purposes of this Section 12, the
24 Director shall deem such amounts to be collected personal
25 property taxes of each such taxing district for the applicable
26 tax year or years.

1 Taxing districts located both in Cook County and in one or
2 more other counties shall receive both a Cook County
3 allocation and a Downstate allocation determined in the same
4 way as all other taxing districts.

5 If any taxing district in existence on July 1, 1979 ceases
6 to exist, or discontinues its operations, its Tax Base shall
7 thereafter be deemed to be zero. If the powers, duties and
8 obligations of the discontinued taxing district are assumed by
9 another taxing district, the Tax Base of the discontinued
10 taxing district shall be added to the Tax Base of the taxing
11 district assuming such powers, duties and obligations.

12 If 2 or more taxing districts in existence on July 1, 1979,
13 or a successor or successors thereto shall consolidate into
14 one taxing district, the Tax Base of such consolidated taxing
15 district shall be the sum of the Tax Bases of each of the
16 taxing districts which have consolidated.

17 If a single taxing district in existence on July 1, 1979,
18 or a successor or successors thereto shall be divided into 2 or
19 more separate taxing districts, the tax base of the taxing
20 district so divided shall be allocated to each of the
21 resulting taxing districts in proportion to the then current
22 equalized assessed value of each resulting taxing district.

23 If a portion of the territory of a taxing district is
24 disconnected and annexed to another taxing district of the
25 same type, the Tax Base of the taxing district from which
26 disconnection was made shall be reduced in proportion to the

1 then current equalized assessed value of the disconnected
2 territory as compared with the then current equalized assessed
3 value within the entire territory of the taxing district prior
4 to disconnection, and the amount of such reduction shall be
5 added to the Tax Base of the taxing district to which
6 annexation is made.

7 If a community college district is created after July 1,
8 1979, beginning on January 1, 1996 (the effective date of
9 Public Act 89-327), its Tax Base shall be 3.5% of the sum of
10 the personal property tax collected for the 1977 tax year
11 within the territorial jurisdiction of the district.

12 The amounts allocated and paid to taxing districts
13 pursuant to the provisions of Public Act 81-1st Special
14 Session-1 shall be deemed to be substitute revenues for the
15 revenues derived from taxes imposed on personal property
16 pursuant to the provisions of the "Revenue Act of 1939" or "An
17 Act for the assessment and taxation of private car line
18 companies", approved July 22, 1943, as amended, or Section 414
19 of the Illinois Insurance Code, prior to the abolition of such
20 taxes and shall be used for the same purposes as the revenues
21 derived from ad valorem taxes on real estate.

22 Monies received by any taxing districts from the Personal
23 Property Tax Replacement Fund shall be first applied toward
24 payment of the proportionate amount of debt service which was
25 previously levied and collected from extensions against
26 personal property on bonds outstanding as of December 31, 1978

1 and next applied toward payment of the proportionate share of
2 the pension or retirement obligations of the taxing district
3 which were previously levied and collected from extensions
4 against personal property. For each such outstanding bond
5 issue, the County Clerk shall determine the percentage of the
6 debt service which was collected from extensions against real
7 estate in the taxing district for 1978 taxes payable in 1979,
8 as related to the total amount of such levies and collections
9 from extensions against both real and personal property. For
10 1979 and subsequent years' taxes, the County Clerk shall levy
11 and extend taxes against the real estate of each taxing
12 district which will yield the said percentage or percentages
13 of the debt service on such outstanding bonds. The balance of
14 the amount necessary to fully pay such debt service shall
15 constitute a first and prior lien upon the monies received by
16 each such taxing district through the Personal Property Tax
17 Replacement Fund and shall be first applied or set aside for
18 such purpose. In counties having fewer than 3,000,000
19 inhabitants, the amendments to this paragraph as made by
20 Public Act 81-1255 shall be first applicable to 1980 taxes to
21 be collected in 1981.

22 (Source: P.A. 103-8, eff. 6-7-23; 103-588, eff. 6-5-24; 104-2,
23 eff. 6-16-25.)

24 Section 70-20. The Illinois Coal Technology Development
25 Assistance Act is amended by changing Section 3 as follows:

1 (30 ILCS 730/3) (from Ch. 96 1/2, par. 8203)

2 Sec. 3. Transfers to Coal Technology Development
3 Assistance Fund.

4 (a) As soon as may be practicable after the first day of
5 each month, the Department of Revenue shall certify to the
6 Treasurer an amount equal to 1/64 of the revenue realized from
7 the tax imposed by the Electricity Excise Tax Law, Section 2 of
8 the Public Utilities Revenue Act, ~~Section 2 of the Messages~~
9 ~~Tax Act,~~ and Section 2 of the Gas Revenue Tax Act, during the
10 preceding month. Upon receipt of the certification, the
11 Treasurer shall transfer the amount shown on such
12 certification from the General Revenue Fund to the Coal
13 Technology Development Assistance Fund, which is hereby
14 created as a special fund in the State treasury, except that no
15 transfer shall be made in any month in which the Fund has
16 reached the following balance:

17 (1) (Blank).

18 (2) (Blank).

19 (3) (Blank).

20 (4) (Blank).

21 (5) (Blank).

22 (6) Except as otherwise provided in subsection (b),
23 during fiscal year 2006 and each fiscal year thereafter,
24 an amount equal to the sum of \$10,000,000 plus additional
25 moneys deposited into the Coal Technology Development

1 Assistance Fund from the Renewable Energy Resources and
2 Coal Technology Development Assistance Charge under
3 Section 6.5 of the Renewable Energy, Energy Efficiency,
4 and Coal Resources Development Law of 1997.

5 (b) During fiscal years 2019 through 2022 only, the
6 Treasurer shall make no transfers from the General Revenue
7 Fund to the Coal Technology Development Assistance Fund.

8 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
9 102-16, eff. 6-17-21.)

10 Section 70-25. The Use Tax Act is amended by changing
11 Sections 3-5, 3-10, and 12 as follows:

12 (35 ILCS 105/3-5)

13 Sec. 3-5. Exemptions. Use, which, on and after January 1,
14 2025, includes use by a lessee, of the following tangible
15 personal property is exempt from the tax imposed by this Act:

16 (1) Personal property purchased from a corporation,
17 society, association, foundation, institution, or
18 organization, other than a limited liability company, that is
19 organized and operated as a not-for-profit service enterprise
20 for the benefit of persons 65 years of age or older if the
21 personal property was not purchased by the enterprise for the
22 purpose of resale by the enterprise.

23 (2) Personal property purchased by a not-for-profit
24 Illinois county fair association for use in conducting,

1 operating, or promoting the county fair.

2 (3) Personal property purchased by a not-for-profit arts
3 or cultural organization that establishes, by proof required
4 by the Department by rule, that it has received an exemption
5 under Section 501(c)(3) of the Internal Revenue Code and that
6 is organized and operated primarily for the presentation or
7 support of arts or cultural programming, activities, or
8 services. These organizations include, but are not limited to,
9 music and dramatic arts organizations such as symphony
10 orchestras and theatrical groups, arts and cultural service
11 organizations, local arts councils, visual arts organizations,
12 and media arts organizations. On and after July 1, 2001 (the
13 effective date of Public Act 92-35), however, an entity
14 otherwise eligible for this exemption shall not make tax-free
15 purchases unless it has an active identification number issued
16 by the Department.

17 (4) Except as otherwise provided in this Act, personal
18 property purchased by a governmental body, by a corporation,
19 society, association, foundation, or institution organized and
20 operated exclusively for charitable, religious, or educational
21 purposes, or by a not-for-profit corporation, society,
22 association, foundation, institution, or organization that has
23 no compensated officers or employees and that is organized and
24 operated primarily for the recreation of persons 55 years of
25 age or older. A limited liability company may qualify for the
26 exemption under this paragraph only if the limited liability

1 company is organized and operated exclusively for educational
2 purposes. On and after July 1, 1987, however, no entity
3 otherwise eligible for this exemption shall make tax-free
4 purchases unless it has an active exemption identification
5 number issued by the Department.

6 (5) Until July 1, 2003, a passenger car that is a
7 replacement vehicle to the extent that the purchase price of
8 the car is subject to the Replacement Vehicle Tax.

9 (6) Until July 1, 2003 and beginning again on September 1,
10 2004 through August 30, 2014, graphic arts machinery and
11 equipment, including repair and replacement parts, both new
12 and used, and including that manufactured on special order,
13 certified by the purchaser to be used primarily for graphic
14 arts production, and including machinery and equipment
15 purchased for lease. Equipment includes chemicals or chemicals
16 acting as catalysts but only if the chemicals or chemicals
17 acting as catalysts effect a direct and immediate change upon
18 a graphic arts product. Beginning on July 1, 2017, graphic
19 arts machinery and equipment is included in the manufacturing
20 and assembling machinery and equipment exemption under
21 paragraph (18).

22 (7) Farm chemicals.

23 (8) Legal tender, currency, medallions, or gold or silver
24 coinage issued by the State of Illinois, the government of the
25 United States of America, or the government of any foreign
26 country, and bullion.

1 (9) Personal property purchased from a teacher-sponsored
2 student organization affiliated with an elementary or
3 secondary school located in Illinois.

4 (10) A motor vehicle that is used for automobile renting,
5 as defined in the Automobile Renting Occupation and Use Tax
6 Act.

7 (11) Farm machinery and equipment, both new and used,
8 including that manufactured on special order, certified by the
9 purchaser to be used primarily for production agriculture or
10 State or federal agricultural programs, including individual
11 replacement parts for the machinery and equipment, including
12 machinery and equipment purchased for lease, and including
13 implements of husbandry defined in Section 1-130 of the
14 Illinois Vehicle Code, farm machinery and agricultural
15 chemical and fertilizer spreaders, and nurse wagons required
16 to be registered under Section 3-809 of the Illinois Vehicle
17 Code, but excluding other motor vehicles required to be
18 registered under the Illinois Vehicle Code. Horticultural
19 polyhouses or hoop houses used for propagating, growing, or
20 overwintering plants shall be considered farm machinery and
21 equipment under this item (11). Agricultural chemical tender
22 tanks and dry boxes shall include units sold separately from a
23 motor vehicle required to be licensed and units sold mounted
24 on a motor vehicle required to be licensed if the selling price
25 of the tender is separately stated.

26 Farm machinery and equipment shall include precision

1 farming equipment that is installed or purchased to be
2 installed on farm machinery and equipment, including, but not
3 limited to, tractors, harvesters, sprayers, planters, seeders,
4 or spreaders. Precision farming equipment includes, but is not
5 limited to, soil testing sensors, computers, monitors,
6 software, global positioning and mapping systems, and other
7 such equipment.

8 Farm machinery and equipment also includes computers,
9 sensors, software, and related equipment used primarily in the
10 computer-assisted operation of production agriculture
11 facilities, equipment, and activities such as, but not limited
12 to, the collection, monitoring, and correlation of animal and
13 crop data for the purpose of formulating animal diets and
14 agricultural chemicals.

15 Beginning on January 1, 2024, farm machinery and equipment
16 also includes electrical power generation equipment used
17 primarily for production agriculture.

18 This item (11) is exempt from the provisions of Section
19 3-90.

20 (12) Until June 30, 2013, fuel and petroleum products sold
21 to or used by an air common carrier, certified by the carrier
22 to be used for consumption, shipment, or storage in the
23 conduct of its business as an air common carrier, for a flight
24 destined for or returning from a location or locations outside
25 the United States without regard to previous or subsequent
26 domestic stopovers.

1 Beginning July 1, 2013, fuel and petroleum products sold
2 to or used by an air carrier, certified by the carrier to be
3 used for consumption, shipment, or storage in the conduct of
4 its business as an air common carrier, for a flight that (i) is
5 engaged in foreign trade or is engaged in trade between the
6 United States and any of its possessions and (ii) transports
7 at least one individual or package for hire from the city of
8 origination to the city of final destination on the same
9 aircraft, without regard to a change in the flight number of
10 that aircraft.

11 (13) Proceeds of mandatory service charges separately
12 stated on customers' bills for the purchase and consumption of
13 food and beverages purchased at retail from a retailer, to the
14 extent that the proceeds of the service charge are in fact
15 turned over as tips or as a substitute for tips to the
16 employees who participate directly in preparing, serving,
17 hosting or cleaning up the food or beverage function with
18 respect to which the service charge is imposed.

19 (14) Until July 1, 2003, oil field exploration, drilling,
20 and production equipment, including (i) rigs and parts of
21 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
22 pipe and tubular goods, including casing and drill strings,
23 (iii) pumps and pump-jack units, (iv) storage tanks and flow
24 lines, (v) any individual replacement part for oil field
25 exploration, drilling, and production equipment, and (vi)
26 machinery and equipment purchased for lease; but excluding

1 motor vehicles required to be registered under the Illinois
2 Vehicle Code.

3 (15) Photoprocessing machinery and equipment, including
4 repair and replacement parts, both new and used, including
5 that manufactured on special order, certified by the purchaser
6 to be used primarily for photoprocessing, and including
7 photoprocessing machinery and equipment purchased for lease.

8 (16) Until July 1, 2028, coal and aggregate exploration,
9 mining, off-highway hauling, processing, maintenance, and
10 reclamation equipment, including replacement parts and
11 equipment, and including equipment purchased for lease, but
12 excluding motor vehicles required to be registered under the
13 Illinois Vehicle Code. The changes made to this Section by
14 Public Act 97-767 apply on and after July 1, 2003, but no claim
15 for credit or refund is allowed on or after August 16, 2013
16 (the effective date of Public Act 98-456) for such taxes paid
17 during the period beginning July 1, 2003 and ending on August
18 16, 2013 (the effective date of Public Act 98-456).

19 (17) Until July 1, 2003, distillation machinery and
20 equipment, sold as a unit or kit, assembled or installed by the
21 retailer, certified by the user to be used only for the
22 production of ethyl alcohol that will be used for consumption
23 as motor fuel or as a component of motor fuel for the personal
24 use of the user, and not subject to sale or resale.

25 (18) Manufacturing and assembling machinery and equipment
26 used primarily in the process of manufacturing or assembling

1 tangible personal property for wholesale or retail sale or
2 lease, whether that sale or lease is made directly by the
3 manufacturer or by some other person, whether the materials
4 used in the process are owned by the manufacturer or some other
5 person, or whether that sale or lease is made apart from or as
6 an incident to the seller's engaging in the service occupation
7 of producing machines, tools, dies, jigs, patterns, gauges, or
8 other similar items of no commercial value on special order
9 for a particular purchaser. The exemption provided by this
10 paragraph (18) includes production related tangible personal
11 property, as defined in Section 3-50, purchased on or after
12 July 1, 2019. The exemption provided by this paragraph (18)
13 does not include machinery and equipment used in (i) the
14 generation of electricity for wholesale or retail sale; (ii)
15 the generation or treatment of natural or artificial gas for
16 wholesale or retail sale that is delivered to customers
17 through pipes, pipelines, or mains; or (iii) the treatment of
18 water for wholesale or retail sale that is delivered to
19 customers through pipes, pipelines, or mains. The provisions
20 of Public Act 98-583 are declaratory of existing law as to the
21 meaning and scope of this exemption. Beginning on July 1,
22 2017, the exemption provided by this paragraph (18) includes,
23 but is not limited to, graphic arts machinery and equipment,
24 as defined in paragraph (6) of this Section.

25 (19) Personal property delivered to a purchaser or
26 purchaser's donee inside Illinois when the purchase order for

1 that personal property was received by a florist located
2 outside Illinois who has a florist located inside Illinois
3 deliver the personal property.

4 (20) Semen used for artificial insemination of livestock
5 for direct agricultural production.

6 (21) Horses, or interests in horses, registered with and
7 meeting the requirements of any of the Arabian Horse Club
8 Registry of America, Appaloosa Horse Club, American Quarter
9 Horse Association, United States Trotting Association, or
10 Jockey Club, as appropriate, used for purposes of breeding or
11 racing for prizes. This item (21) is exempt from the
12 provisions of Section 3-90, and the exemption provided for
13 under this item (21) applies for all periods beginning May 30,
14 1995, but no claim for credit or refund is allowed on or after
15 January 1, 2008 for such taxes paid during the period
16 beginning May 30, 2000 and ending on January 1, 2008.

17 (22) Computers and communications equipment utilized for
18 any hospital purpose and equipment used in the diagnosis,
19 analysis, or treatment of hospital patients purchased by a
20 lessor who leases the equipment, under a lease of one year or
21 longer executed or in effect at the time the lessor would
22 otherwise be subject to the tax imposed by this Act, to a
23 hospital that has been issued an active tax exemption
24 identification number by the Department under Section 1g of
25 the Retailers' Occupation Tax Act. If the equipment is leased
26 in a manner that does not qualify for this exemption or is used

1 in any other non-exempt manner, the lessor shall be liable for
2 the tax imposed under this Act or the Service Use Tax Act, as
3 the case may be, based on the fair market value of the property
4 at the time the non-qualifying use occurs. No lessor shall
5 collect or attempt to collect an amount (however designated)
6 that purports to reimburse that lessor for the tax imposed by
7 this Act or the Service Use Tax Act, as the case may be, if the
8 tax has not been paid by the lessor. If a lessor improperly
9 collects any such amount from the lessee, the lessee shall
10 have a legal right to claim a refund of that amount from the
11 lessor. If, however, that amount is not refunded to the lessee
12 for any reason, the lessor is liable to pay that amount to the
13 Department.

14 (23) Personal property purchased by a lessor who leases
15 the property, under a lease of one year or longer executed or
16 in effect at the time the lessor would otherwise be subject to
17 the tax imposed by this Act, to a governmental body that has
18 been issued an active sales tax exemption identification
19 number by the Department under Section 1g of the Retailers'
20 Occupation Tax Act. If the property is leased in a manner that
21 does not qualify for this exemption or used in any other
22 non-exempt manner, the lessor shall be liable for the tax
23 imposed under this Act or the Service Use Tax Act, as the case
24 may be, based on the fair market value of the property at the
25 time the non-qualifying use occurs. No lessor shall collect or
26 attempt to collect an amount (however designated) that

1 purports to reimburse that lessor for the tax imposed by this
2 Act or the Service Use Tax Act, as the case may be, if the tax
3 has not been paid by the lessor. If a lessor improperly
4 collects any such amount from the lessee, the lessee shall
5 have a legal right to claim a refund of that amount from the
6 lessor. If, however, that amount is not refunded to the lessee
7 for any reason, the lessor is liable to pay that amount to the
8 Department.

9 (24) Beginning with taxable years ending on or after
10 December 31, 1995 and ending with taxable years ending on or
11 before December 31, 2004, personal property that is donated
12 for disaster relief to be used in a State or federally declared
13 disaster area in Illinois or bordering Illinois by a
14 manufacturer or retailer that is registered in this State to a
15 corporation, society, association, foundation, or institution
16 that has been issued a sales tax exemption identification
17 number by the Department that assists victims of the disaster
18 who reside within the declared disaster area.

19 (25) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on or
21 before December 31, 2004, personal property that is used in
22 the performance of infrastructure repairs in this State,
23 including, but not limited to, municipal roads and streets,
24 access roads, bridges, sidewalks, waste disposal systems,
25 water and sewer line extensions, water distribution and
26 purification facilities, storm water drainage and retention

1 facilities, and sewage treatment facilities, resulting from a
2 State or federally declared disaster in Illinois or bordering
3 Illinois when such repairs are initiated on facilities located
4 in the declared disaster area within 6 months after the
5 disaster.

6 (26) Beginning July 1, 1999, game or game birds purchased
7 at a "game breeding and hunting preserve area" as that term is
8 used in the Wildlife Code. This paragraph is exempt from the
9 provisions of Section 3-90.

10 (27) A motor vehicle, as that term is defined in Section
11 1-146 of the Illinois Vehicle Code, that is donated to a
12 corporation, limited liability company, society, association,
13 foundation, or institution that is determined by the
14 Department to be organized and operated exclusively for
15 educational purposes. For purposes of this exemption, "a
16 corporation, limited liability company, society, association,
17 foundation, or institution organized and operated exclusively
18 for educational purposes" means all tax-supported public
19 schools, private schools that offer systematic instruction in
20 useful branches of learning by methods common to public
21 schools and that compare favorably in their scope and
22 intensity with the course of study presented in tax-supported
23 schools, and vocational or technical schools or institutes
24 organized and operated exclusively to provide a course of
25 study of not less than 6 weeks duration and designed to prepare
26 individuals to follow a trade or to pursue a manual,

1 technical, mechanical, industrial, business, or commercial
2 occupation.

3 (28) Beginning January 1, 2000, personal property,
4 including food, purchased through fundraising events for the
5 benefit of a public or private elementary or secondary school,
6 a group of those schools, or one or more school districts if
7 the events are sponsored by an entity recognized by the school
8 district that consists primarily of volunteers and includes
9 parents and teachers of the school children. This paragraph
10 does not apply to fundraising events (i) for the benefit of
11 private home instruction or (ii) for which the fundraising
12 entity purchases the personal property sold at the events from
13 another individual or entity that sold the property for the
14 purpose of resale by the fundraising entity and that profits
15 from the sale to the fundraising entity. This paragraph is
16 exempt from the provisions of Section 3-90.

17 (29) Beginning January 1, 2000 and through December 31,
18 2001, new or used automatic vending machines that prepare and
19 serve hot food and beverages, including coffee, soup, and
20 other items, and replacement parts for these machines.
21 Beginning January 1, 2002 and through June 30, 2003, machines
22 and parts for machines used in commercial, coin-operated
23 amusement and vending business if a use or occupation tax is
24 paid on the gross receipts derived from the use of the
25 commercial, coin-operated amusement and vending machines. This
26 paragraph is exempt from the provisions of Section 3-90.

1 (30) Beginning January 1, 2001 and through June 30, 2016,
2 food for human consumption that is to be consumed off the
3 premises where it is sold (other than alcoholic beverages,
4 soft drinks, and food that has been prepared for immediate
5 consumption) and prescription and nonprescription medicines,
6 drugs, medical appliances, and insulin, urine testing
7 materials, syringes, and needles used by diabetics, for human
8 use, when purchased for use by a person receiving medical
9 assistance under Article V of the Illinois Public Aid Code who
10 resides in a licensed long-term care facility, as defined in
11 the Nursing Home Care Act, or in a licensed facility as defined
12 in the ID/DD Community Care Act, the MC/DD Act, or the
13 Specialized Mental Health Rehabilitation Act of 2013.

14 (31) Beginning on August 2, 2001 (the effective date of
15 Public Act 92-227), computers and communications equipment
16 utilized for any hospital purpose and equipment used in the
17 diagnosis, analysis, or treatment of hospital patients
18 purchased by a lessor who leases the equipment, under a lease
19 of one year or longer executed or in effect at the time the
20 lessor would otherwise be subject to the tax imposed by this
21 Act, to a hospital that has been issued an active tax exemption
22 identification number by the Department under Section 1g of
23 the Retailers' Occupation Tax Act. If the equipment is leased
24 in a manner that does not qualify for this exemption or is used
25 in any other nonexempt manner, the lessor shall be liable for
26 the tax imposed under this Act or the Service Use Tax Act, as

1 the case may be, based on the fair market value of the property
2 at the time the nonqualifying use occurs. No lessor shall
3 collect or attempt to collect an amount (however designated)
4 that purports to reimburse that lessor for the tax imposed by
5 this Act or the Service Use Tax Act, as the case may be, if the
6 tax has not been paid by the lessor. If a lessor improperly
7 collects any such amount from the lessee, the lessee shall
8 have a legal right to claim a refund of that amount from the
9 lessor. If, however, that amount is not refunded to the lessee
10 for any reason, the lessor is liable to pay that amount to the
11 Department. This paragraph is exempt from the provisions of
12 Section 3-90.

13 (32) Beginning on August 2, 2001 (the effective date of
14 Public Act 92-227), personal property purchased by a lessor
15 who leases the property, under a lease of one year or longer
16 executed or in effect at the time the lessor would otherwise be
17 subject to the tax imposed by this Act, to a governmental body
18 that has been issued an active sales tax exemption
19 identification number by the Department under Section 1g of
20 the Retailers' Occupation Tax Act. If the property is leased
21 in a manner that does not qualify for this exemption or used in
22 any other nonexempt manner, the lessor shall be liable for the
23 tax imposed under this Act or the Service Use Tax Act, as the
24 case may be, based on the fair market value of the property at
25 the time the nonqualifying use occurs. No lessor shall collect
26 or attempt to collect an amount (however designated) that

1 purports to reimburse that lessor for the tax imposed by this
2 Act or the Service Use Tax Act, as the case may be, if the tax
3 has not been paid by the lessor. If a lessor improperly
4 collects any such amount from the lessee, the lessee shall
5 have a legal right to claim a refund of that amount from the
6 lessor. If, however, that amount is not refunded to the lessee
7 for any reason, the lessor is liable to pay that amount to the
8 Department. This paragraph is exempt from the provisions of
9 Section 3-90.

10 (33) On and after July 1, 2003 and through June 30, 2004,
11 the use in this State of motor vehicles of the second division
12 with a gross vehicle weight in excess of 8,000 pounds and that
13 are subject to the commercial distribution fee imposed under
14 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
15 July 1, 2004 and through June 30, 2005, the use in this State
16 of motor vehicles of the second division: (i) with a gross
17 vehicle weight rating in excess of 8,000 pounds; (ii) that are
18 subject to the commercial distribution fee imposed under
19 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
20 are primarily used for commercial purposes. Through June 30,
21 2005, this exemption applies to repair and replacement parts
22 added after the initial purchase of such a motor vehicle if
23 that motor vehicle is used in a manner that would qualify for
24 the rolling stock exemption otherwise provided for in this
25 Act. For purposes of this paragraph, the term "used for
26 commercial purposes" means the transportation of persons or

1 property in furtherance of any commercial or industrial
2 enterprise, whether for-hire or not.

3 (34) Beginning January 1, 2008, tangible personal property
4 used in the construction or maintenance of a community water
5 supply, as defined under Section 3.145 of the Environmental
6 Protection Act, that is operated by a not-for-profit
7 corporation that holds a valid water supply permit issued
8 under Title IV of the Environmental Protection Act. This
9 paragraph is exempt from the provisions of Section 3-90.

10 (35) Beginning January 1, 2010 and continuing through
11 December 31, 2029, materials, parts, equipment, components,
12 and furnishings incorporated into or upon an aircraft as part
13 of the modification, refurbishment, completion, replacement,
14 repair, or maintenance of the aircraft. This exemption
15 includes consumable supplies used in the modification,
16 refurbishment, completion, replacement, repair, and
17 maintenance of aircraft. However, until January 1, 2024, this
18 exemption excludes any materials, parts, equipment,
19 components, and consumable supplies used in the modification,
20 replacement, repair, and maintenance of aircraft engines or
21 power plants, whether such engines or power plants are
22 installed or uninstalled upon any such aircraft. "Consumable
23 supplies" include, but are not limited to, adhesive, tape,
24 sandpaper, general purpose lubricants, cleaning solution,
25 latex gloves, and protective films.

26 Beginning January 1, 2010 and continuing through December

1 31, 2023, this exemption applies only to the use of qualifying
2 tangible personal property by persons who modify, refurbish,
3 complete, repair, replace, or maintain aircraft and who (i)
4 hold an Air Agency Certificate and are empowered to operate an
5 approved repair station by the Federal Aviation
6 Administration, (ii) have a Class IV Rating, and (iii) conduct
7 operations in accordance with Part 145 of the Federal Aviation
8 Regulations. From January 1, 2024 through December 31, 2029,
9 this exemption applies only to the use of qualifying tangible
10 personal property by: (A) persons who modify, refurbish,
11 complete, repair, replace, or maintain aircraft and who (i)
12 hold an Air Agency Certificate and are empowered to operate an
13 approved repair station by the Federal Aviation
14 Administration, (ii) have a Class IV Rating, and (iii) conduct
15 operations in accordance with Part 145 of the Federal Aviation
16 Regulations; and (B) persons who engage in the modification,
17 replacement, repair, and maintenance of aircraft engines or
18 power plants without regard to whether or not those persons
19 meet the qualifications of item (A).

20 The exemption does not include aircraft operated by a
21 commercial air carrier providing scheduled passenger air
22 service pursuant to authority issued under Part 121 or Part
23 129 of the Federal Aviation Regulations. The changes made to
24 this paragraph (35) by Public Act 98-534 are declarative of
25 existing law. It is the intent of the General Assembly that the
26 exemption under this paragraph (35) applies continuously from

1 January 1, 2010 through December 31, 2024; however, no claim
2 for credit or refund is allowed for taxes paid as a result of
3 the disallowance of this exemption on or after January 1, 2015
4 and prior to February 5, 2020 (the effective date of Public Act
5 101-629).

6 (36) Tangible personal property purchased by a
7 public-facilities corporation, as described in Section
8 11-65-10 of the Illinois Municipal Code, for purposes of
9 constructing or furnishing a municipal convention hall, but
10 only if the legal title to the municipal convention hall is
11 transferred to the municipality without any further
12 consideration by or on behalf of the municipality at the time
13 of the completion of the municipal convention hall or upon the
14 retirement or redemption of any bonds or other debt
15 instruments issued by the public-facilities corporation in
16 connection with the development of the municipal convention
17 hall. This exemption includes existing public-facilities
18 corporations as provided in Section 11-65-25 of the Illinois
19 Municipal Code. This paragraph is exempt from the provisions
20 of Section 3-90.

21 (37) Beginning January 1, 2017 and through December 31,
22 2026, menstrual pads, tampons, and menstrual cups.

23 (38) Merchandise that is subject to the Rental Purchase
24 Agreement Occupation and Use Tax. The purchaser must certify
25 that the item is purchased to be rented subject to a
26 rental-purchase agreement, as defined in the Rental-Purchase

1 Agreement Act, and provide proof of registration under the
2 Rental Purchase Agreement Occupation and Use Tax Act. This
3 paragraph is exempt from the provisions of Section 3-90.

4 (39) Tangible personal property purchased by a purchaser
5 who is exempt from the tax imposed by this Act by operation of
6 federal law. This paragraph is exempt from the provisions of
7 Section 3-90.

8 (40) Qualified tangible personal property used in the
9 construction or operation of a data center that has been
10 granted a certificate of exemption by the Department of
11 Commerce and Economic Opportunity, whether that tangible
12 personal property is purchased by the owner, operator, or
13 tenant of the data center or by a contractor or subcontractor
14 of the owner, operator, or tenant. Data centers that would
15 have qualified for a certificate of exemption prior to January
16 1, 2020 had Public Act 101-31 been in effect may apply for and
17 obtain an exemption for subsequent purchases of computer
18 equipment or enabling software purchased or leased to upgrade,
19 supplement, or replace computer equipment or enabling software
20 purchased or leased in the original investment that would have
21 qualified.

22 The Department of Commerce and Economic Opportunity shall
23 grant a certificate of exemption under this item (40) to
24 qualified data centers as defined by Section 605-1025 of the
25 Department of Commerce and Economic Opportunity Law of the
26 Civil Administrative Code of Illinois.

1 For the purposes of this item (40):

2 "Data center" means a building or a series of
3 buildings rehabilitated or constructed to house working
4 servers in one physical location or multiple sites within
5 the State of Illinois.

6 "Qualified tangible personal property" means:
7 electrical systems and equipment; climate control and
8 chilling equipment and systems; mechanical systems and
9 equipment; monitoring and secure systems; emergency
10 generators; hardware; computers; servers; data storage
11 devices; network connectivity equipment; racks; cabinets;
12 telecommunications cabling infrastructure; raised floor
13 systems; peripheral components or systems; software;
14 mechanical, electrical, or plumbing systems; battery
15 systems; cooling systems and towers; temperature control
16 systems; other cabling; and other data center
17 infrastructure equipment and systems necessary to operate
18 qualified tangible personal property, including fixtures;
19 and component parts of any of the foregoing, including
20 installation, maintenance, repair, refurbishment, and
21 replacement of qualified tangible personal property to
22 generate, transform, transmit, distribute, or manage
23 electricity necessary to operate qualified tangible
24 personal property; and all other tangible personal
25 property that is essential to the operations of a computer
26 data center. The term "qualified tangible personal

1 property" also includes building materials physically
2 incorporated into the qualifying data center. To document
3 the exemption allowed under this Section, the retailer
4 must obtain from the purchaser a copy of the certificate
5 of eligibility issued by the Department of Commerce and
6 Economic Opportunity.

7 This item (40) is exempt from the provisions of Section
8 3-90.

9 (41) Beginning July 1, 2022, breast pumps, breast pump
10 collection and storage supplies, and breast pump kits. This
11 item (41) is exempt from the provisions of Section 3-90. As
12 used in this item (41):

13 "Breast pump" means an electrically controlled or
14 manually controlled pump device designed or marketed to be
15 used to express milk from a human breast during lactation,
16 including the pump device and any battery, AC adapter, or
17 other power supply unit that is used to power the pump
18 device and is packaged and sold with the pump device at the
19 time of sale.

20 "Breast pump collection and storage supplies" means
21 items of tangible personal property designed or marketed
22 to be used in conjunction with a breast pump to collect
23 milk expressed from a human breast and to store collected
24 milk until it is ready for consumption.

25 "Breast pump collection and storage supplies"
26 includes, but is not limited to: breast shields and breast

1 shield connectors; breast pump tubes and tubing adapters;
2 breast pump valves and membranes; backflow protectors and
3 backflow protector adaptors; bottles and bottle caps
4 specific to the operation of the breast pump; and breast
5 milk storage bags.

6 "Breast pump collection and storage supplies" does not
7 include: (1) bottles and bottle caps not specific to the
8 operation of the breast pump; (2) breast pump travel bags
9 and other similar carrying accessories, including ice
10 packs, labels, and other similar products; (3) breast pump
11 cleaning supplies; (4) nursing bras, bra pads, breast
12 shells, and other similar products; and (5) creams,
13 ointments, and other similar products that relieve
14 breastfeeding-related symptoms or conditions of the
15 breasts or nipples, unless sold as part of a breast pump
16 kit that is pre-packaged by the breast pump manufacturer
17 or distributor.

18 "Breast pump kit" means a kit that: (1) contains no
19 more than a breast pump, breast pump collection and
20 storage supplies, a rechargeable battery for operating the
21 breast pump, a breastmilk cooler, bottle stands, ice
22 packs, and a breast pump carrying case; and (2) is
23 pre-packaged as a breast pump kit by the breast pump
24 manufacturer or distributor.

25 (42) Tangible personal property sold by or on behalf of
26 the State Treasurer pursuant to the Revised Uniform Unclaimed

1 Property Act. This item (42) is exempt from the provisions of
2 Section 3-90.

3 (43) Beginning on January 1, 2024, tangible personal
4 property purchased by an active duty member of the armed
5 forces of the United States who presents valid military
6 identification and purchases the property using a form of
7 payment where the federal government is the payor. The member
8 of the armed forces must complete, at the point of sale, a form
9 prescribed by the Department of Revenue documenting that the
10 transaction is eligible for the exemption under this
11 paragraph. Retailers must keep the form as documentation of
12 the exemption in their records for a period of not less than 6
13 years. "Armed forces of the United States" means the United
14 States Army, Navy, Air Force, Space Force, Marine Corps, or
15 Coast Guard. This paragraph is exempt from the provisions of
16 Section 3-90.

17 (44) Beginning July 1, 2024, home-delivered meals provided
18 to Medicare or Medicaid recipients when payment is made by an
19 intermediary, such as a Medicare Administrative Contractor, a
20 Managed Care Organization, or a Medicare Advantage
21 Organization, pursuant to a government contract. This item
22 (44) is exempt from the provisions of Section 3-90.

23 (45) Beginning on January 1, 2026, as further defined in
24 Section 3-10, food for human consumption that is to be
25 consumed off the premises where it is sold (other than
26 alcoholic liquor taxable under Section 8-1 of the Liquor

1 Control Act of 1934 ~~beverages~~, food consisting of or infused
2 with adult use cannabis, soft drinks, candy, and food that has
3 been prepared for immediate consumption). This item (45) is
4 exempt from the provisions of Section 3-90.

5 (46) Use by the lessee of the following leased tangible
6 personal property:

7 (1) software transferred subject to a license that
8 meets the following requirements:

9 (A) it is evidenced by a written agreement signed
10 by the licensor and the customer;

11 (i) an electronic agreement in which the
12 customer accepts the license by means of an
13 electronic signature that is verifiable and can be
14 authenticated and is attached to or made part of
15 the license will comply with this requirement;

16 (ii) a license agreement in which the customer
17 electronically accepts the terms by clicking "I
18 agree" does not comply with this requirement;

19 (B) it restricts the customer's duplication and
20 use of the software;

21 (C) it prohibits the customer from licensing,
22 sublicensing, or transferring the software to a third
23 party (except to a related party) without the
24 permission and continued control of the licensor;

25 (D) the licensor has a policy of providing another
26 copy at minimal or no charge if the customer loses or

1 damages the software, or of permitting the licensee to
2 make and keep an archival copy, and such policy is
3 either stated in the license agreement, supported by
4 the licensor's books and records, or supported by a
5 notarized statement made under penalties of perjury by
6 the licensor; and

7 (E) the customer must destroy or return all copies
8 of the software to the licensor at the end of the
9 license period; this provision is deemed to be met, in
10 the case of a perpetual license, without being set
11 forth in the license agreement; and

12 (2) property that is subject to a tax on lease
13 receipts imposed by a home rule unit of local government
14 if the ordinance imposing that tax was adopted prior to
15 January 1, 2023.

16 (Source: P.A. 103-9, Article 5, Section 5-5, eff. 6-7-23;
17 103-9, Article 15, Section 15-5, eff. 6-7-23; 103-154, eff.
18 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
19 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
20 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

21 (35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 either the selling price or the fair market value, if any, of
25 the tangible personal property, which, on and after January 1,

1 2025, includes leases of tangible personal property. In all
2 cases where property functionally used or consumed is the same
3 as the property that was purchased at retail, then the tax is
4 imposed on the selling price of the property. In all cases
5 where property functionally used or consumed is a by-product
6 or waste product that has been refined, manufactured, or
7 produced from property purchased at retail, then the tax is
8 imposed on the lower of the fair market value, if any, of the
9 specific property so used in this State or on the selling price
10 of the property purchased at retail. For purposes of this
11 Section "fair market value" means the price at which property
12 would change hands between a willing buyer and a willing
13 seller, neither being under any compulsion to buy or sell and
14 both having reasonable knowledge of the relevant facts. The
15 fair market value shall be established by Illinois sales by
16 the taxpayer of the same property as that functionally used or
17 consumed, or if there are no such sales by the taxpayer, then
18 comparable sales or purchases of property of like kind and
19 character in Illinois.

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

24 Beginning on August 6, 2010 through August 15, 2010, and
25 beginning again on August 5, 2022 through August 14, 2022,
26 with respect to sales tax holiday items as defined in Section

1 3-6 of this Act, the tax is imposed at the rate of 1.25%.

2 With respect to gasohol, the tax imposed by this Act
3 applies to (i) 70% of the proceeds of sales made on or after
4 January 1, 1990, and before July 1, 2003, (ii) 80% of the
5 proceeds of sales made on or after July 1, 2003 and on or
6 before July 1, 2017, (iii) 100% of the proceeds of sales made
7 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
8 the proceeds of sales made on or after January 1, 2024 and on
9 or before December 31, 2028, and (v) 100% of the proceeds of
10 sales made after December 31, 2028. If, at any time, however,
11 the tax under this Act on sales of gasohol is imposed at the
12 rate of 1.25%, then the tax imposed by this Act applies to 100%
13 of the proceeds of sales of gasohol made during that time.

14 With respect to mid-range ethanol blends, the tax imposed
15 by this Act applies to (i) 80% of the proceeds of sales made on
16 or after January 1, 2024 and on or before December 31, 2028 and
17 (ii) 100% of the proceeds of sales made thereafter. If, at any
18 time, however, the tax under this Act on sales of mid-range
19 ethanol blends is imposed at the rate of 1.25%, then the tax
20 imposed by this Act applies to 100% of the proceeds of sales of
21 mid-range ethanol blends made during that time.

22 With respect to majority blended ethanol fuel, the tax
23 imposed by this Act does not apply to the proceeds of sales
24 made on or after July 1, 2003 and on or before December 31,
25 2028 but applies to 100% of the proceeds of sales made
26 thereafter.

1 With respect to biodiesel blends with no less than 1% and
2 no more than 10% biodiesel, the tax imposed by this Act applies
3 to (i) 80% of the proceeds of sales made on or after July 1,
4 2003 and on or before December 31, 2018 and (ii) 100% of the
5 proceeds of sales made after December 31, 2018 and before
6 January 1, 2024. On and after January 1, 2024 and on or before
7 December 31, 2030, the taxation of biodiesel, renewable
8 diesel, and biodiesel blends shall be as provided in Section
9 3-5.1. If, at any time, however, the tax under this Act on
10 sales of biodiesel blends with no less than 1% and no more than
11 10% biodiesel is imposed at the rate of 1.25%, then the tax
12 imposed by this Act applies to 100% of the proceeds of sales of
13 biodiesel blends with no less than 1% and no more than 10%
14 biodiesel made during that time.

15 With respect to biodiesel and biodiesel blends with more
16 than 10% but no more than 99% biodiesel, the tax imposed by
17 this Act does not apply to the proceeds of sales made on or
18 after July 1, 2003 and on or before December 31, 2023. On and
19 after January 1, 2024 and on or before December 31, 2030, the
20 taxation of biodiesel, renewable diesel, and biodiesel blends
21 shall be as provided in Section 3-5.1.

22 Until July 1, 2022 and from July 1, 2023 through December
23 31, 2025, with respect to food for human consumption that is to
24 be consumed off the premises where it is sold (other than
25 alcoholic beverages, food consisting of or infused with adult
26 use cannabis, soft drinks, and food that has been prepared for

1 immediate consumption), the tax is imposed at the rate of 1%.
2 Beginning on July 1, 2022 and until July 1, 2023, with respect
3 to food for human consumption that is to be consumed off the
4 premises where it is sold (other than alcoholic beverages,
5 food consisting of or infused with adult use cannabis, soft
6 drinks, and food that has been prepared for immediate
7 consumption), the tax is imposed at the rate of 0%. On and
8 after January 1, 2026, food for human consumption that is to be
9 consumed off the premises where it is sold (other than
10 alcoholic liquor taxable under Section 8-1 of the Liquor
11 Control Act of 1934 ~~beverages~~, food consisting of or infused
12 with adult use cannabis, soft drinks, candy, and food that has
13 been prepared for immediate consumption) is exempt from the
14 tax imposed by this Act.

15 With respect to prescription and nonprescription
16 medicines, drugs, medical appliances, products classified as
17 Class III medical devices by the United States Food and Drug
18 Administration that are used for cancer treatment pursuant to
19 a prescription, as well as any accessories and components
20 related to those devices, modifications to a motor vehicle for
21 the purpose of rendering it usable by a person with a
22 disability, and insulin, blood sugar testing materials,
23 syringes, and needles used by human diabetics, the tax is
24 imposed at the rate of 1%. For the purposes of this Section,
25 until September 1, 2009: the term "soft drinks" means any
26 complete, finished, ready-to-use, non-alcoholic drink, whether

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

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

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

1 regardless of the location of the vending machine.

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

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

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

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

1 substance or preparation.

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

7 As used in this Section, "adult use cannabis" means
8 cannabis subject to tax under the Cannabis Cultivation
9 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
10 and does not include cannabis subject to tax under the
11 Compassionate Use of Medical Cannabis Program Act.

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 is
16 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. No depreciation is allowed in cases where
19 the tax under this Act is imposed on lease receipts.

20 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
21 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
22 8-15-25.)

23 (35 ILCS 105/12) (from Ch. 120, par. 439.12)

24 Sec. 12. Applicability of Retailers' Occupation Tax Act
25 and Uniform Penalty and Interest Act. All of the provisions of

1 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
2 2-29, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation
3 provisions shall run from the date when the tax is due rather
4 than from the date when gross receipts are received), 5
5 (except that the time limitation provisions on the issuance of
6 notices of tax liability shall run from the date when the tax
7 is due rather than from the date when gross receipts are
8 received and except that in the case of a failure to file a
9 return required by this Act, no notice of tax liability shall
10 be issued on and after each July 1 and January 1 covering tax
11 due with that return during any month or period more than 6
12 years before that July 1 or January 1, respectively), 5a, 5b,
13 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5j, 5k, 5l, 5m, 5n, 7, 8, 9, 10, 11 and
14 12 of the Retailers' Occupation Tax Act and Section 3-7 of the
15 Uniform Penalty and Interest Act, which are not inconsistent
16 with this Act, shall apply, as far as practicable, to the
17 subject matter of this Act to the same extent as if such
18 provisions were included herein.

19 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
20 103-595, eff. 6-26-24.)

21 Section 70-30. The Service Use Tax Act is amended by
22 changing Sections 3-5 and 3-10 as follows:

23 (35 ILCS 110/3-5)

24 Sec. 3-5. Exemptions. Use of the following tangible

1 personal property is exempt from the tax imposed by this Act:

2 (1) Personal property purchased from a corporation,
3 society, association, foundation, institution, or
4 organization, other than a limited liability company, that is
5 organized and operated as a not-for-profit service enterprise
6 for the benefit of persons 65 years of age or older if the
7 personal property was not purchased by the enterprise for the
8 purpose of resale by the enterprise.

9 (2) Personal property purchased by a non-profit Illinois
10 county fair association for use in conducting, operating, or
11 promoting the county fair.

12 (3) Personal property purchased by a not-for-profit arts
13 or cultural organization that establishes, by proof required
14 by the Department by rule, that it has received an exemption
15 under Section 501(c)(3) of the Internal Revenue Code and that
16 is organized and operated primarily for the presentation or
17 support of arts or cultural programming, activities, or
18 services. These organizations include, but are not limited to,
19 music and dramatic arts organizations such as symphony
20 orchestras and theatrical groups, arts and cultural service
21 organizations, local arts councils, visual arts organizations,
22 and media arts organizations. On and after July 1, 2001 (the
23 effective date of Public Act 92-35), however, an entity
24 otherwise eligible for this exemption shall not make tax-free
25 purchases unless it has an active identification number issued
26 by the Department.

1 (4) Legal tender, currency, medallions, or gold or silver
2 coinage issued by the State of Illinois, the government of the
3 United States of America, or the government of any foreign
4 country, and bullion.

5 (5) Until July 1, 2003 and beginning again on September 1,
6 2004 through August 30, 2014, graphic arts machinery and
7 equipment, including repair and replacement parts, both new
8 and used, and including that manufactured on special order or
9 purchased for lease, certified by the purchaser to be used
10 primarily for graphic arts production. Equipment includes
11 chemicals or chemicals acting as catalysts but only if the
12 chemicals or chemicals acting as catalysts effect a direct and
13 immediate change upon a graphic arts product. Beginning on
14 July 1, 2017, graphic arts machinery and equipment is included
15 in the manufacturing and assembling machinery and equipment
16 exemption under Section 2 of this Act.

17 (6) Personal property purchased from a teacher-sponsored
18 student organization affiliated with an elementary or
19 secondary school located in Illinois.

20 (7) Farm machinery and equipment, both new and used,
21 including that manufactured on special order, certified by the
22 purchaser to be used primarily for production agriculture or
23 State or federal agricultural programs, including individual
24 replacement parts for the machinery and equipment, including
25 machinery and equipment purchased for lease, and including
26 implements of husbandry defined in Section 1-130 of the

1 Illinois Vehicle Code, farm machinery and agricultural
2 chemical and fertilizer spreaders, and nurse wagons required
3 to be registered under Section 3-809 of the Illinois Vehicle
4 Code, but excluding other motor vehicles required to be
5 registered under the Illinois Vehicle Code. Horticultural
6 polyhouses or hoop houses used for propagating, growing, or
7 overwintering plants shall be considered farm machinery and
8 equipment under this item (7). Agricultural chemical tender
9 tanks and dry boxes shall include units sold separately from a
10 motor vehicle required to be licensed and units sold mounted
11 on a motor vehicle required to be licensed if the selling price
12 of the tender is separately stated.

13 Farm machinery and equipment shall include precision
14 farming equipment that is installed or purchased to be
15 installed on farm machinery and equipment, including, but not
16 limited to, tractors, harvesters, sprayers, planters, seeders,
17 or spreaders. Precision farming equipment includes, but is not
18 limited to, soil testing sensors, computers, monitors,
19 software, global positioning and mapping systems, and other
20 such equipment.

21 Farm machinery and equipment also includes computers,
22 sensors, software, and related equipment used primarily in the
23 computer-assisted operation of production agriculture
24 facilities, equipment, and activities such as, but not limited
25 to, the collection, monitoring, and correlation of animal and
26 crop data for the purpose of formulating animal diets and

1 agricultural chemicals.

2 Beginning on January 1, 2024, farm machinery and equipment
3 also includes electrical power generation equipment used
4 primarily for production agriculture.

5 This item (7) is exempt from the provisions of Section
6 3-75.

7 (8) Until June 30, 2013, fuel and petroleum products sold
8 to or used by an air common carrier, certified by the carrier
9 to be used for consumption, shipment, or storage in the
10 conduct of its business as an air common carrier, for a flight
11 destined for or returning from a location or locations outside
12 the United States without regard to previous or subsequent
13 domestic stopovers.

14 Beginning July 1, 2013, fuel and petroleum products sold
15 to or used by an air carrier, certified by the carrier to be
16 used for consumption, shipment, or storage in the conduct of
17 its business as an air common carrier, for a flight that (i) is
18 engaged in foreign trade or is engaged in trade between the
19 United States and any of its possessions and (ii) transports
20 at least one individual or package for hire from the city of
21 origination to the city of final destination on the same
22 aircraft, without regard to a change in the flight number of
23 that aircraft.

24 (9) Proceeds of mandatory service charges separately
25 stated on customers' bills for the purchase and consumption of
26 food and beverages acquired as an incident to the purchase of a

1 service from a serviceman, to the extent that the proceeds of
2 the service charge are in fact turned over as tips or as a
3 substitute for tips to the employees who participate directly
4 in preparing, serving, hosting or cleaning up the food or
5 beverage function with respect to which the service charge is
6 imposed.

7 (10) Until July 1, 2003, oil field exploration, drilling,
8 and production equipment, including (i) rigs and parts of
9 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
10 pipe and tubular goods, including casing and drill strings,
11 (iii) pumps and pump-jack units, (iv) storage tanks and flow
12 lines, (v) any individual replacement part for oil field
13 exploration, drilling, and production equipment, and (vi)
14 machinery and equipment purchased for lease; but excluding
15 motor vehicles required to be registered under the Illinois
16 Vehicle Code.

17 (11) Proceeds from the sale of photoprocessing machinery
18 and equipment, including repair and replacement parts, both
19 new and used, including that manufactured on special order,
20 certified by the purchaser to be used primarily for
21 photoprocessing, and including photoprocessing machinery and
22 equipment purchased for lease.

23 (12) Until July 1, 2028, coal and aggregate exploration,
24 mining, off-highway hauling, processing, maintenance, and
25 reclamation equipment, including replacement parts and
26 equipment, and including equipment purchased for lease, but

1 excluding motor vehicles required to be registered under the
2 Illinois Vehicle Code. The changes made to this Section by
3 Public Act 97-767 apply on and after July 1, 2003, but no claim
4 for credit or refund is allowed on or after August 16, 2013
5 (the effective date of Public Act 98-456) for such taxes paid
6 during the period beginning July 1, 2003 and ending on August
7 16, 2013 (the effective date of Public Act 98-456).

8 (13) Semen used for artificial insemination of livestock
9 for direct agricultural production.

10 (14) Horses, or interests in horses, registered with and
11 meeting the requirements of any of the Arabian Horse Club
12 Registry of America, Appaloosa Horse Club, American Quarter
13 Horse Association, United States Trotting Association, or
14 Jockey Club, as appropriate, used for purposes of breeding or
15 racing for prizes. This item (14) is exempt from the
16 provisions of Section 3-75, and the exemption provided for
17 under this item (14) applies for all periods beginning May 30,
18 1995, but no claim for credit or refund is allowed on or after
19 January 1, 2008 (the effective date of Public Act 95-88) for
20 such taxes paid during the period beginning May 30, 2000 and
21 ending on January 1, 2008 (the effective date of Public Act
22 95-88).

23 (15) Computers and communications equipment utilized for
24 any hospital purpose and equipment used in the diagnosis,
25 analysis, or treatment of hospital patients purchased by a
26 lessor who leases the equipment, under a lease of one year or

1 longer executed or in effect at the time the lessor would
2 otherwise be subject to the tax imposed by this Act, to a
3 hospital that has been issued an active tax exemption
4 identification number by the Department under Section 1g of
5 the Retailers' Occupation Tax Act. If the equipment is leased
6 in a manner that does not qualify for this exemption or is used
7 in any other non-exempt manner, the lessor shall be liable for
8 the tax imposed under this Act or the Use Tax Act, as the case
9 may be, based on the fair market value of the property at the
10 time the non-qualifying use occurs. No lessor shall collect or
11 attempt to collect an amount (however designated) that
12 purports to reimburse that lessor for the tax imposed by this
13 Act or the Use Tax Act, as the case may be, if the tax has not
14 been paid by the lessor. If a lessor improperly collects any
15 such amount from the lessee, the lessee shall have a legal
16 right to claim a refund of that amount from the lessor. If,
17 however, that amount is not refunded to the lessee for any
18 reason, the lessor is liable to pay that amount to the
19 Department.

20 (16) Personal property purchased by a lessor who leases
21 the property, under a lease of one year or longer executed or
22 in effect at the time the lessor would otherwise be subject to
23 the tax imposed by this Act, to a governmental body that has
24 been issued an active tax exemption identification number by
25 the Department under Section 1g of the Retailers' Occupation
26 Tax Act. If the property is leased in a manner that does not

1 qualify for this exemption or is used in any other non-exempt
2 manner, the lessor shall be liable for the tax imposed under
3 this Act or the Use Tax Act, as the case may be, based on the
4 fair market value of the property at the time the
5 non-qualifying use occurs. No lessor shall collect or attempt
6 to collect an amount (however designated) that purports to
7 reimburse that lessor for the tax imposed by this Act or the
8 Use Tax Act, as the case may be, if the tax has not been paid
9 by the lessor. If a lessor improperly collects any such amount
10 from the lessee, the lessee shall have a legal right to claim a
11 refund of that amount from the lessor. If, however, that
12 amount is not refunded to the lessee for any reason, the lessor
13 is liable to pay that amount to the Department.

14 (17) Beginning with taxable years ending on or after
15 December 31, 1995 and ending with taxable years ending on or
16 before December 31, 2004, personal property that is donated
17 for disaster relief to be used in a State or federally declared
18 disaster area in Illinois or bordering Illinois by a
19 manufacturer or retailer that is registered in this State to a
20 corporation, society, association, foundation, or institution
21 that has been issued a sales tax exemption identification
22 number by the Department that assists victims of the disaster
23 who reside within the declared disaster area.

24 (18) Beginning with taxable years ending on or after
25 December 31, 1995 and ending with taxable years ending on or
26 before December 31, 2004, personal property that is used in

1 the performance of infrastructure repairs in this State,
2 including, but not limited to, municipal roads and streets,
3 access roads, bridges, sidewalks, waste disposal systems,
4 water and sewer line extensions, water distribution and
5 purification facilities, storm water drainage and retention
6 facilities, and sewage treatment facilities, resulting from a
7 State or federally declared disaster in Illinois or bordering
8 Illinois when such repairs are initiated on facilities located
9 in the declared disaster area within 6 months after the
10 disaster.

11 (19) Beginning July 1, 1999, game or game birds purchased
12 at a "game breeding and hunting preserve area" as that term is
13 used in the Wildlife Code. This paragraph is exempt from the
14 provisions of Section 3-75.

15 (20) A motor vehicle, as that term is defined in Section
16 1-146 of the Illinois Vehicle Code, that is donated to a
17 corporation, limited liability company, society, association,
18 foundation, or institution that is determined by the
19 Department to be organized and operated exclusively for
20 educational purposes. For purposes of this exemption, "a
21 corporation, limited liability company, society, association,
22 foundation, or institution organized and operated exclusively
23 for educational purposes" means all tax-supported public
24 schools, private schools that offer systematic instruction in
25 useful branches of learning by methods common to public
26 schools and that compare favorably in their scope and

1 intensity with the course of study presented in tax-supported
2 schools, and vocational or technical schools or institutes
3 organized and operated exclusively to provide a course of
4 study of not less than 6 weeks duration and designed to prepare
5 individuals to follow a trade or to pursue a manual,
6 technical, mechanical, industrial, business, or commercial
7 occupation.

8 (21) Beginning January 1, 2000, personal property,
9 including food, purchased through fundraising events for the
10 benefit of a public or private elementary or secondary school,
11 a group of those schools, or one or more school districts if
12 the events are sponsored by an entity recognized by the school
13 district that consists primarily of volunteers and includes
14 parents and teachers of the school children. This paragraph
15 does not apply to fundraising events (i) for the benefit of
16 private home instruction or (ii) for which the fundraising
17 entity purchases the personal property sold at the events from
18 another individual or entity that sold the property for the
19 purpose of resale by the fundraising entity and that profits
20 from the sale to the fundraising entity. This paragraph is
21 exempt from the provisions of Section 3-75.

22 (22) Beginning January 1, 2000 and through December 31,
23 2001, new or used automatic vending machines that prepare and
24 serve hot food and beverages, including coffee, soup, and
25 other items, and replacement parts for these machines.
26 Beginning January 1, 2002 and through June 30, 2003, machines

1 and parts for machines used in commercial, coin-operated
2 amusement and vending business if a use or occupation tax is
3 paid on the gross receipts derived from the use of the
4 commercial, coin-operated amusement and vending machines. This
5 paragraph is exempt from the provisions of Section 3-75.

6 (23) Beginning August 23, 2001 and through June 30, 2016,
7 food for human consumption that is to be consumed off the
8 premises where it is sold (other than alcoholic beverages,
9 soft drinks, and food that has been prepared for immediate
10 consumption) and prescription and nonprescription medicines,
11 drugs, medical appliances, and insulin, urine testing
12 materials, syringes, and needles used by diabetics, for human
13 use, when purchased for use by a person receiving medical
14 assistance under Article V of the Illinois Public Aid Code who
15 resides in a licensed long-term care facility, as defined in
16 the Nursing Home Care Act, or in a licensed facility as defined
17 in the ID/DD Community Care Act, the MC/DD Act, or the
18 Specialized Mental Health Rehabilitation Act of 2013.

19 (24) Beginning on August 2, 2001 (the effective date of
20 Public Act 92-227), computers and communications equipment
21 utilized for any hospital purpose and equipment used in the
22 diagnosis, analysis, or treatment of hospital patients
23 purchased by a lessor who leases the equipment, under a lease
24 of one year or longer executed or in effect at the time the
25 lessor would otherwise be subject to the tax imposed by this
26 Act, to a hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of
2 the Retailers' Occupation Tax Act. If the equipment is leased
3 in a manner that does not qualify for this exemption or is used
4 in any other nonexempt manner, the lessor shall be liable for
5 the tax imposed under this Act or the Use Tax Act, as the case
6 may be, based on the fair market value of the property at the
7 time the nonqualifying use occurs. No lessor shall collect or
8 attempt to collect an amount (however designated) that
9 purports to reimburse that lessor for the tax imposed by this
10 Act or the Use Tax Act, as the case may be, if the tax has not
11 been paid by the lessor. If a lessor improperly collects any
12 such amount from the lessee, the lessee shall have a legal
13 right to claim a refund of that amount from the lessor. If,
14 however, that amount is not refunded to the lessee for any
15 reason, the lessor is liable to pay that amount to the
16 Department. This paragraph is exempt from the provisions of
17 Section 3-75.

18 (25) Beginning on August 2, 2001 (the effective date of
19 Public Act 92-227), personal property purchased by a lessor
20 who leases the property, under a lease of one year or longer
21 executed or in effect at the time the lessor would otherwise be
22 subject to the tax imposed by this Act, to a governmental body
23 that has been issued an active tax exemption identification
24 number by the Department under Section 1g of the Retailers'
25 Occupation Tax Act. If the property is leased in a manner that
26 does not qualify for this exemption or is used in any other

1 nonexempt manner, the lessor shall be liable for the tax
2 imposed under this Act or the Use Tax Act, as the case may be,
3 based on the fair market value of the property at the time the
4 nonqualifying use occurs. No lessor shall collect or attempt
5 to collect an amount (however designated) that purports to
6 reimburse that lessor for the tax imposed by this Act or the
7 Use Tax Act, as the case may be, if the tax has not been paid
8 by the lessor. If a lessor improperly collects any such amount
9 from the lessee, the lessee shall have a legal right to claim a
10 refund of that amount from the lessor. If, however, that
11 amount is not refunded to the lessee for any reason, the lessor
12 is liable to pay that amount to the Department. This paragraph
13 is exempt from the provisions of Section 3-75.

14 (26) Beginning January 1, 2008, tangible personal property
15 used in the construction or maintenance of a community water
16 supply, as defined under Section 3.145 of the Environmental
17 Protection Act, that is operated by a not-for-profit
18 corporation that holds a valid water supply permit issued
19 under Title IV of the Environmental Protection Act. This
20 paragraph is exempt from the provisions of Section 3-75.

21 (27) Beginning January 1, 2010 and continuing through
22 December 31, 2029, materials, parts, equipment, components,
23 and furnishings incorporated into or upon an aircraft as part
24 of the modification, refurbishment, completion, replacement,
25 repair, or maintenance of the aircraft. This exemption
26 includes consumable supplies used in the modification,

1 refurbishment, completion, replacement, repair, and
2 maintenance of aircraft. However, until January 1, 2024, this
3 exemption excludes any materials, parts, equipment,
4 components, and consumable supplies used in the modification,
5 replacement, repair, and maintenance of aircraft engines or
6 power plants, whether such engines or power plants are
7 installed or uninstalled upon any such aircraft. "Consumable
8 supplies" include, but are not limited to, adhesive, tape,
9 sandpaper, general purpose lubricants, cleaning solution,
10 latex gloves, and protective films.

11 Beginning January 1, 2010 and continuing through December
12 31, 2023, this exemption applies only to the use of qualifying
13 tangible personal property transferred incident to the
14 modification, refurbishment, completion, replacement, repair,
15 or maintenance of aircraft by persons who (i) hold an Air
16 Agency Certificate and are empowered to operate an approved
17 repair station by the Federal Aviation Administration, (ii)
18 have a Class IV Rating, and (iii) conduct operations in
19 accordance with Part 145 of the Federal Aviation Regulations.
20 From January 1, 2024 through December 31, 2029, this exemption
21 applies only to the use of qualifying tangible personal
22 property transferred incident to: (A) the modification,
23 refurbishment, completion, repair, replacement, or maintenance
24 of an aircraft by persons who (i) hold an Air Agency
25 Certificate and are empowered to operate an approved repair
26 station by the Federal Aviation Administration, (ii) have a

1 Class IV Rating, and (iii) conduct operations in accordance
2 with Part 145 of the Federal Aviation Regulations; and (B) the
3 modification, replacement, repair, and maintenance of aircraft
4 engines or power plants without regard to whether or not those
5 persons meet the qualifications of item (A).

6 The exemption does not include aircraft operated by a
7 commercial air carrier providing scheduled passenger air
8 service pursuant to authority issued under Part 121 or Part
9 129 of the Federal Aviation Regulations. The changes made to
10 this paragraph (27) by Public Act 98-534 are declarative of
11 existing law. It is the intent of the General Assembly that the
12 exemption under this paragraph (27) applies continuously from
13 January 1, 2010 through December 31, 2024; however, no claim
14 for credit or refund is allowed for taxes paid as a result of
15 the disallowance of this exemption on or after January 1, 2015
16 and prior to February 5, 2020 (the effective date of Public Act
17 101-629).

18 (28) Tangible personal property purchased by a
19 public-facilities corporation, as described in Section
20 11-65-10 of the Illinois Municipal Code, for purposes of
21 constructing or furnishing a municipal convention hall, but
22 only if the legal title to the municipal convention hall is
23 transferred to the municipality without any further
24 consideration by or on behalf of the municipality at the time
25 of the completion of the municipal convention hall or upon the
26 retirement or redemption of any bonds or other debt

1 instruments issued by the public-facilities corporation in
2 connection with the development of the municipal convention
3 hall. This exemption includes existing public-facilities
4 corporations as provided in Section 11-65-25 of the Illinois
5 Municipal Code. This paragraph is exempt from the provisions
6 of Section 3-75.

7 (29) Beginning January 1, 2017 and through December 31,
8 2026, menstrual pads, tampons, and menstrual cups.

9 (30) Tangible personal property transferred to a purchaser
10 who is exempt from the tax imposed by this Act by operation of
11 federal law. This paragraph is exempt from the provisions of
12 Section 3-75.

13 (31) Qualified tangible personal property used in the
14 construction or operation of a data center that has been
15 granted a certificate of exemption by the Department of
16 Commerce and Economic Opportunity, whether that tangible
17 personal property is purchased by the owner, operator, or
18 tenant of the data center or by a contractor or subcontractor
19 of the owner, operator, or tenant. Data centers that would
20 have qualified for a certificate of exemption prior to January
21 1, 2020 had Public Act 101-31 been in effect, may apply for and
22 obtain an exemption for subsequent purchases of computer
23 equipment or enabling software purchased or leased to upgrade,
24 supplement, or replace computer equipment or enabling software
25 purchased or leased in the original investment that would have
26 qualified.

1 The Department of Commerce and Economic Opportunity shall
2 grant a certificate of exemption under this item (31) to
3 qualified data centers as defined by Section 605-1025 of the
4 Department of Commerce and Economic Opportunity Law of the
5 Civil Administrative Code of Illinois.

6 For the purposes of this item (31):

7 "Data center" means a building or a series of
8 buildings rehabilitated or constructed to house working
9 servers in one physical location or multiple sites within
10 the State of Illinois.

11 "Qualified tangible personal property" means:
12 electrical systems and equipment; climate control and
13 chilling equipment and systems; mechanical systems and
14 equipment; monitoring and secure systems; emergency
15 generators; hardware; computers; servers; data storage
16 devices; network connectivity equipment; racks; cabinets;
17 telecommunications cabling infrastructure; raised floor
18 systems; peripheral components or systems; software;
19 mechanical, electrical, or plumbing systems; battery
20 systems; cooling systems and towers; temperature control
21 systems; other cabling; and other data center
22 infrastructure equipment and systems necessary to operate
23 qualified tangible personal property, including fixtures;
24 and component parts of any of the foregoing, including
25 installation, maintenance, repair, refurbishment, and
26 replacement of qualified tangible personal property to

1 generate, transform, transmit, distribute, or manage
2 electricity necessary to operate qualified tangible
3 personal property; and all other tangible personal
4 property that is essential to the operations of a computer
5 data center. The term "qualified tangible personal
6 property" also includes building materials physically
7 incorporated into the qualifying data center. To document
8 the exemption allowed under this Section, the retailer
9 must obtain from the purchaser a copy of the certificate
10 of eligibility issued by the Department of Commerce and
11 Economic Opportunity.

12 This item (31) is exempt from the provisions of Section
13 3-75.

14 (32) Beginning July 1, 2022, breast pumps, breast pump
15 collection and storage supplies, and breast pump kits. This
16 item (32) is exempt from the provisions of Section 3-75. As
17 used in this item (32):

18 "Breast pump" means an electrically controlled or
19 manually controlled pump device designed or marketed to be
20 used to express milk from a human breast during lactation,
21 including the pump device and any battery, AC adapter, or
22 other power supply unit that is used to power the pump
23 device and is packaged and sold with the pump device at the
24 time of sale.

25 "Breast pump collection and storage supplies" means
26 items of tangible personal property designed or marketed

1 to be used in conjunction with a breast pump to collect
2 milk expressed from a human breast and to store collected
3 milk until it is ready for consumption.

4 "Breast pump collection and storage supplies"
5 includes, but is not limited to: breast shields and breast
6 shield connectors; breast pump tubes and tubing adapters;
7 breast pump valves and membranes; backflow protectors and
8 backflow protector adaptors; bottles and bottle caps
9 specific to the operation of the breast pump; and breast
10 milk storage bags.

11 "Breast pump collection and storage supplies" does not
12 include: (1) bottles and bottle caps not specific to the
13 operation of the breast pump; (2) breast pump travel bags
14 and other similar carrying accessories, including ice
15 packs, labels, and other similar products; (3) breast pump
16 cleaning supplies; (4) nursing bras, bra pads, breast
17 shells, and other similar products; and (5) creams,
18 ointments, and other similar products that relieve
19 breastfeeding-related symptoms or conditions of the
20 breasts or nipples, unless sold as part of a breast pump
21 kit that is pre-packaged by the breast pump manufacturer
22 or distributor.

23 "Breast pump kit" means a kit that: (1) contains no
24 more than a breast pump, breast pump collection and
25 storage supplies, a rechargeable battery for operating the
26 breast pump, a breastmilk cooler, bottle stands, ice

1 packs, and a breast pump carrying case; and (2) is
2 pre-packaged as a breast pump kit by the breast pump
3 manufacturer or distributor.

4 (33) Tangible personal property sold by or on behalf of
5 the State Treasurer pursuant to the Revised Uniform Unclaimed
6 Property Act. This item (33) is exempt from the provisions of
7 Section 3-75.

8 (34) Beginning on January 1, 2024, tangible personal
9 property purchased by an active duty member of the armed
10 forces of the United States who presents valid military
11 identification and purchases the property using a form of
12 payment where the federal government is the payor. The member
13 of the armed forces must complete, at the point of sale, a form
14 prescribed by the Department of Revenue documenting that the
15 transaction is eligible for the exemption under this
16 paragraph. Retailers must keep the form as documentation of
17 the exemption in their records for a period of not less than 6
18 years. "Armed forces of the United States" means the United
19 States Army, Navy, Air Force, Space Force, Marine Corps, or
20 Coast Guard. This paragraph is exempt from the provisions of
21 Section 3-75.

22 (35) Beginning July 1, 2024, home-delivered meals provided
23 to Medicare or Medicaid recipients when payment is made by an
24 intermediary, such as a Medicare Administrative Contractor, a
25 Managed Care Organization, or a Medicare Advantage
26 Organization, pursuant to a government contract. This

1 paragraph (35) is exempt from the provisions of Section 3-75.

2 (36) Beginning on January 1, 2026, as further defined in
3 Section 3-10, food prepared for immediate consumption and
4 transferred incident to a sale of service subject to this Act
5 or the Service Occupation Tax Act by an entity licensed under
6 the Hospital Licensing Act, the Nursing Home Care Act, the
7 Assisted Living and Shared Housing Act, the ID/DD Community
8 Care Act, the MC/DD Act, the Specialized Mental Health
9 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by
10 an entity that holds a permit issued pursuant to the Life Care
11 Facilities Act. This item (36) is exempt from the provisions
12 of Section 3-75.

13 (37) Beginning on January 1, 2026, as further defined in
14 Section 3-10, food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic liquor taxable under Section 8-1 of the Liquor
17 Control Act of 1934 ~~beverages~~, food consisting of or infused
18 with adult use cannabis, soft drinks, candy, and food that has
19 been prepared for immediate consumption). This item (37) is
20 exempt from the provisions of Section 3-75.

21 (38) Use by a lessee of the following leased tangible
22 personal property:

23 (1) software transferred subject to a license that
24 meets the following requirements:

25 (A) it is evidenced by a written agreement signed
26 by the licensor and the customer;

1 (i) an electronic agreement in which the
2 customer accepts the license by means of an
3 electronic signature that is verifiable and can be
4 authenticated and is attached to or made part of
5 the license will comply with this requirement;

6 (ii) a license agreement in which the customer
7 electronically accepts the terms by clicking "I
8 agree" does not comply with this requirement;

9 (B) it restricts the customer's duplication and
10 use of the software;

11 (C) it prohibits the customer from licensing,
12 sublicensing, or transferring the software to a third
13 party (except to a related party) without the
14 permission and continued control of the licensor;

15 (D) the licensor has a policy of providing another
16 copy at minimal or no charge if the customer loses or
17 damages the software, or of permitting the licensee to
18 make and keep an archival copy, and such policy is
19 either stated in the license agreement, supported by
20 the licensor's books and records, or supported by a
21 notarized statement made under penalties of perjury by
22 the licensor; and

23 (E) the customer must destroy or return all copies
24 of the software to the licensor at the end of the
25 license period; this provision is deemed to be met, in
26 the case of a perpetual license, without being set

1 forth in the license agreement; and

2 (2) property that is subject to a tax on lease
3 receipts imposed by a home rule unit of local government
4 if the ordinance imposing that tax was adopted prior to
5 January 1, 2023.

6 (Source: P.A. 103-9, Article 5, Section 5-10, eff. 6-7-23;
7 103-9, Article 15, Section 15-10, eff. 6-7-23; 103-154, eff.
8 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
9 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
10 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.
11 8-15-25.)

12 (35 ILCS 110/3-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this
14 Section, the tax imposed by this Act is at the rate of 6.25% of
15 the selling price of tangible personal property transferred,
16 including, on and after January 1, 2025, transferred by lease,
17 as an incident to the sale of service, but, for the purpose of
18 computing this tax, in no event shall the selling price be less
19 than the cost price of the property to the serviceman.

20 Beginning on July 1, 2000 and through December 31, 2000,
21 with respect to motor fuel, as defined in Section 1.1 of the
22 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
23 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, the
25 tax imposed by this Act applies to (i) 70% of the selling price

1 of property transferred as an incident to the sale of service
2 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
3 of the selling price of property transferred as an incident to
4 the sale of service on or after July 1, 2003 and on or before
5 July 1, 2017, (iii) 100% of the selling price of property
6 transferred as an incident to the sale of service after July 1,
7 2017 and before January 1, 2024, (iv) 90% of the selling price
8 of property transferred as an incident to the sale of service
9 on or after January 1, 2024 and on or before December 31, 2028,
10 and (v) 100% of the selling price of property transferred as an
11 incident to the sale of service after December 31, 2028. If, at
12 any time, however, the tax under this Act on sales of gasohol,
13 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
14 then the tax imposed by this Act applies to 100% of the
15 proceeds of sales of gasohol made during that time.

16 With respect to mid-range ethanol blends, as defined in
17 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
18 applies to (i) 80% of the selling price of property
19 transferred as an incident to the sale of service on or after
20 January 1, 2024 and on or before December 31, 2028 and (ii)
21 100% of the selling price of property transferred as an
22 incident to the sale of service after December 31, 2028. If, at
23 any time, however, the tax under this Act on sales of mid-range
24 ethanol blends is imposed at the rate of 1.25%, then the tax
25 imposed by this Act applies to 100% of the selling price of
26 mid-range ethanol blends transferred as an incident to the

1 sale of service during that time.

2 With respect to majority blended ethanol fuel, as defined
3 in the Use Tax Act, the tax imposed by this Act does not apply
4 to the selling price of property transferred as an incident to
5 the sale of service on or after July 1, 2003 and on or before
6 December 31, 2028 but applies to 100% of the selling price
7 thereafter.

8 With respect to biodiesel blends, as defined in the Use
9 Tax Act, with no less than 1% and no more than 10% biodiesel,
10 the tax imposed by this Act applies to (i) 80% of the selling
11 price of property transferred as an incident to the sale of
12 service on or after July 1, 2003 and on or before December 31,
13 2018 and (ii) 100% of the proceeds of the selling price after
14 December 31, 2018 and before January 1, 2024. On and after
15 January 1, 2024 and on or before December 31, 2030, the
16 taxation of biodiesel, renewable diesel, and biodiesel blends
17 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
18 at any time, however, the tax under this Act on sales of
19 biodiesel blends, as defined in the Use Tax Act, with no less
20 than 1% and no more than 10% biodiesel is imposed at the rate
21 of 1.25%, then the tax imposed by this Act applies to 100% of
22 the proceeds of sales of biodiesel blends with no less than 1%
23 and no more than 10% biodiesel made during that time.

24 With respect to biodiesel, as defined in the Use Tax Act,
25 and biodiesel blends, as defined in the Use Tax Act, with more
26 than 10% but no more than 99% biodiesel, the tax imposed by

1 this Act does not apply to the proceeds of the selling price of
2 property transferred as an incident to the sale of service on
3 or after July 1, 2003 and on or before December 31, 2023. On
4 and after January 1, 2024 and on or before December 31, 2030,
5 the taxation of biodiesel, renewable diesel, and biodiesel
6 blends shall be as provided in Section 3-5.1 of the Use Tax
7 Act.

8 At the election of any registered serviceman made for each
9 fiscal year, for whom the aggregate annual cost price of
10 tangible personal property transferred as an incident to the
11 sales of service is less than 35%, or 75% in the case of
12 servicemen transferring prescription drugs or servicemen
13 engaged in graphic arts production, of the aggregate annual
14 total gross receipts from all sales of service, the tax
15 imposed by this Act shall be based on the serviceman's cost
16 price of the tangible personal property transferred as an
17 incident to the sale of those services. This election may also
18 be made by any serviceman maintaining a place of business in
19 this State who makes retail sales from outside of this State to
20 Illinois customers but is not required to be registered under
21 Section 2a of the Retailers' Occupation Tax Act. Beginning
22 January 1, 2026, this election shall not apply to any sale of
23 service made through a marketplace that has met the threshold
24 in subsection (b-5) of Section 2d of this Act.

25 Beginning January 1, 2026, the tax shall be imposed at the
26 rate of 6.25% of 50% of the entire billing to the service

1 customer for all sales of service made through a marketplace
2 that has met the threshold in subsection (b-5) of Section 2d of
3 this Act. In no event shall 50% of the entire billing be less
4 than the cost price of the property to the marketplace
5 serviceman or the marketplace facilitator on its own sales of
6 service.

7 Until July 1, 2022 and from July 1, 2023 through December
8 31, 2025, the tax shall be imposed at the rate of 1% on food
9 prepared for immediate consumption and transferred incident to
10 a sale of service subject to this Act or the Service Occupation
11 Tax Act by an entity licensed under the Hospital Licensing
12 Act, the Nursing Home Care Act, the Assisted Living and Shared
13 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
14 Specialized Mental Health Rehabilitation Act of 2013, or the
15 Child Care Act of 1969, or an entity that holds a permit issued
16 pursuant to the Life Care Facilities Act. Until July 1, 2022
17 and from July 1, 2023 through December 31, 2025, the tax shall
18 also be imposed at the rate of 1% on food for human consumption
19 that is to be consumed off the premises where it is sold (other
20 than alcoholic beverages, food consisting of or infused with
21 adult use cannabis, soft drinks, and food that has been
22 prepared for immediate consumption and is not otherwise
23 included in this paragraph).

24 Beginning on July 1, 2022 and until July 1, 2023, the tax
25 shall be imposed at the rate of 0% on food prepared for
26 immediate consumption and transferred incident to a sale of

1 service subject to this Act or the Service Occupation Tax Act
2 by an entity licensed under the Hospital Licensing Act, the
3 Nursing Home Care Act, the Assisted Living and Shared Housing
4 Act, the ID/DD Community Care Act, the MC/DD Act, the
5 Specialized Mental Health Rehabilitation Act of 2013, or the
6 Child Care Act of 1969, or an entity that holds a permit issued
7 pursuant to the Life Care Facilities Act. Beginning on July 1,
8 2022 and until July 1, 2023, the tax shall also be imposed at
9 the rate of 0% on food for human consumption that is to be
10 consumed off the premises where it is sold (other than
11 alcoholic beverages, food consisting of or infused with adult
12 use cannabis, soft drinks, and food that has been prepared for
13 immediate consumption and is not otherwise included in this
14 paragraph).

15 On and after January 1, 2026, food prepared for immediate
16 consumption and transferred incident to a sale of service
17 subject to this Act or the Service Occupation Tax Act by an
18 entity licensed under the Hospital Licensing Act, the Nursing
19 Home Care Act, the Assisted Living and Shared Housing Act, the
20 ID/DD Community Care Act, the MC/DD Act, the Specialized
21 Mental Health Rehabilitation Act of 2013, or the Child Care
22 Act of 1969, or by an entity that holds a permit issued
23 pursuant to the Life Care Facilities Act is exempt from the tax
24 under this Act. On and after January 1, 2026, food for human
25 consumption that is to be consumed off the premises where it is
26 sold (other than alcoholic liquor taxable under Section 8-1 of

1 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
2 or infused with adult use cannabis, soft drinks, candy, and
3 food that has been prepared for immediate consumption and is
4 not otherwise included in this paragraph) is exempt from the
5 tax under this Act.

6 The tax shall be imposed at the rate of 1% on prescription
7 and nonprescription medicines, drugs, medical appliances,
8 products classified as Class III medical devices by the United
9 States Food and Drug Administration that are used for cancer
10 treatment pursuant to a prescription, as well as any
11 accessories and components related to those devices,
12 modifications to a motor vehicle for the purpose of rendering
13 it usable by a person with a disability, and insulin, blood
14 sugar testing materials, syringes, and needles used by human
15 diabetics. For the purposes of this Section, until September
16 1, 2009: the term "soft drinks" means any complete, finished,
17 ready-to-use, non-alcoholic drink, whether carbonated or not,
18 including, but not limited to, soda water, cola, fruit juice,
19 vegetable juice, carbonated water, and all other preparations
20 commonly known as soft drinks of whatever kind or description
21 that are contained in any closed or sealed bottle, can,
22 carton, or container, regardless of size; but "soft drinks"
23 does not include coffee, tea, non-carbonated water, infant
24 formula, milk or milk products as defined in the Grade A
25 Pasteurized Milk and Milk Products Act, or drinks containing
26 50% or more natural fruit or vegetable juice.

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

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

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

1 flour or requires refrigeration.

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

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

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

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

24 As used in this Section, "adult use cannabis" means
25 cannabis subject to tax under the Cannabis Cultivation
26 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law

1 and does not include cannabis subject to tax under the
2 Compassionate Use of Medical Cannabis Program Act.

3 If the property that is acquired from a serviceman is
4 acquired outside Illinois and used outside Illinois before
5 being brought to Illinois for use here and is taxable under
6 this Act, the "selling price" on which the tax is computed
7 shall be reduced by an amount that represents a reasonable
8 allowance for depreciation for the period of prior
9 out-of-state use. No depreciation is allowed in cases where
10 the tax under this Act is imposed on lease receipts.

11 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
12 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-6, eff.
13 6-16-25; 104-417, eff. 8-15-25.)

14 Section 70-35. The Service Occupation Tax Act is amended
15 by changing Sections 3-5 and 3-10 as follows:

16 (35 ILCS 115/3-5)

17 Sec. 3-5. Exemptions. The following tangible personal
18 property is exempt from the tax imposed by this Act:

19 (1) Personal property sold by a corporation, society,
20 association, foundation, institution, or organization, other
21 than a limited liability company, that is organized and
22 operated as a not-for-profit service enterprise for the
23 benefit of persons 65 years of age or older if the personal
24 property was not purchased by the enterprise for the purpose

1 of resale by the enterprise.

2 (2) Personal property purchased by a not-for-profit
3 Illinois county fair association for use in conducting,
4 operating, or promoting the county fair.

5 (3) Personal property purchased by any not-for-profit arts
6 or cultural organization that establishes, by proof required
7 by the Department by rule, that it has received an exemption
8 under Section 501(c)(3) of the Internal Revenue Code and that
9 is organized and operated primarily for the presentation or
10 support of arts or cultural programming, activities, or
11 services. These organizations include, but are not limited to,
12 music and dramatic arts organizations such as symphony
13 orchestras and theatrical groups, arts and cultural service
14 organizations, local arts councils, visual arts organizations,
15 and media arts organizations. On and after July 1, 2001 (the
16 effective date of Public Act 92-35), however, an entity
17 otherwise eligible for this exemption shall not make tax-free
18 purchases unless it has an active identification number issued
19 by the Department.

20 (4) Legal tender, currency, medallions, or gold or silver
21 coinage issued by the State of Illinois, the government of the
22 United States of America, or the government of any foreign
23 country, and bullion.

24 (5) Until July 1, 2003 and beginning again on September 1,
25 2004 through August 30, 2014, graphic arts machinery and
26 equipment, including repair and replacement parts, both new

1 and used, and including that manufactured on special order or
2 purchased for lease, certified by the purchaser to be used
3 primarily for graphic arts production. Equipment includes
4 chemicals or chemicals acting as catalysts but only if the
5 chemicals or chemicals acting as catalysts effect a direct and
6 immediate change upon a graphic arts product. Beginning on
7 July 1, 2017, graphic arts machinery and equipment is included
8 in the manufacturing and assembling machinery and equipment
9 exemption under Section 2 of this Act.

10 (6) Personal property sold by a teacher-sponsored student
11 organization affiliated with an elementary or secondary school
12 located in Illinois.

13 (7) Farm machinery and equipment, both new and used,
14 including that manufactured on special order, certified by the
15 purchaser to be used primarily for production agriculture or
16 State or federal agricultural programs, including individual
17 replacement parts for the machinery and equipment, including
18 machinery and equipment purchased for lease, and including
19 implements of husbandry defined in Section 1-130 of the
20 Illinois Vehicle Code, farm machinery and agricultural
21 chemical and fertilizer spreaders, and nurse wagons required
22 to be registered under Section 3-809 of the Illinois Vehicle
23 Code, but excluding other motor vehicles required to be
24 registered under the Illinois Vehicle Code. Horticultural
25 polyhouses or hoop houses used for propagating, growing, or
26 overwintering plants shall be considered farm machinery and

1 equipment under this item (7). Agricultural chemical tender
2 tanks and dry boxes shall include units sold separately from a
3 motor vehicle required to be licensed and units sold mounted
4 on a motor vehicle required to be licensed if the selling price
5 of the tender is separately stated.

6 Farm machinery and equipment shall include precision
7 farming equipment that is installed or purchased to be
8 installed on farm machinery and equipment, including, but not
9 limited to, tractors, harvesters, sprayers, planters, seeders,
10 or spreaders. Precision farming equipment includes, but is not
11 limited to, soil testing sensors, computers, monitors,
12 software, global positioning and mapping systems, and other
13 such equipment.

14 Farm machinery and equipment also includes computers,
15 sensors, software, and related equipment used primarily in the
16 computer-assisted operation of production agriculture
17 facilities, equipment, and activities such as, but not limited
18 to, the collection, monitoring, and correlation of animal and
19 crop data for the purpose of formulating animal diets and
20 agricultural chemicals.

21 Beginning on January 1, 2024, farm machinery and equipment
22 also includes electrical power generation equipment used
23 primarily for production agriculture.

24 This item (7) is exempt from the provisions of Section
25 3-55.

26 (8) Until June 30, 2013, fuel and petroleum products sold

1 to or used by an air common carrier, certified by the carrier
2 to be used for consumption, shipment, or storage in the
3 conduct of its business as an air common carrier, for a flight
4 destined for or returning from a location or locations outside
5 the United States without regard to previous or subsequent
6 domestic stopovers.

7 Beginning July 1, 2013, fuel and petroleum products sold
8 to or used by an air carrier, certified by the carrier to be
9 used for consumption, shipment, or storage in the conduct of
10 its business as an air common carrier, for a flight that (i) is
11 engaged in foreign trade or is engaged in trade between the
12 United States and any of its possessions and (ii) transports
13 at least one individual or package for hire from the city of
14 origination to the city of final destination on the same
15 aircraft, without regard to a change in the flight number of
16 that aircraft.

17 (9) Proceeds of mandatory service charges separately
18 stated on customers' bills for the purchase and consumption of
19 food and beverages, to the extent that the proceeds of the
20 service charge are in fact turned over as tips or as a
21 substitute for tips to the employees who participate directly
22 in preparing, serving, hosting or cleaning up the food or
23 beverage function with respect to which the service charge is
24 imposed.

25 (10) Until July 1, 2003, oil field exploration, drilling,
26 and production equipment, including (i) rigs and parts of

1 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
2 pipe and tubular goods, including casing and drill strings,
3 (iii) pumps and pump-jack units, (iv) storage tanks and flow
4 lines, (v) any individual replacement part for oil field
5 exploration, drilling, and production equipment, and (vi)
6 machinery and equipment purchased for lease; but excluding
7 motor vehicles required to be registered under the Illinois
8 Vehicle Code.

9 (11) Photoprocessing machinery and equipment, including
10 repair and replacement parts, both new and used, including
11 that manufactured on special order, certified by the purchaser
12 to be used primarily for photoprocessing, and including
13 photoprocessing machinery and equipment purchased for lease.

14 (12) Until July 1, 2028, coal and aggregate exploration,
15 mining, off-highway hauling, processing, maintenance, and
16 reclamation equipment, including replacement parts and
17 equipment, and including equipment purchased for lease, but
18 excluding motor vehicles required to be registered under the
19 Illinois Vehicle Code. The changes made to this Section by
20 Public Act 97-767 apply on and after July 1, 2003, but no claim
21 for credit or refund is allowed on or after August 16, 2013
22 (the effective date of Public Act 98-456) for such taxes paid
23 during the period beginning July 1, 2003 and ending on August
24 16, 2013 (the effective date of Public Act 98-456).

25 (13) Beginning January 1, 1992 and through June 30, 2016,
26 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 prescription and non-prescription medicines,
4 drugs, medical appliances, and insulin, urine testing
5 materials, syringes, and needles used by diabetics, for human
6 use, when purchased for use by a person receiving medical
7 assistance under Article V of the Illinois Public Aid Code who
8 resides in a licensed long-term care facility, as defined in
9 the Nursing Home Care Act, or in a licensed facility as defined
10 in the ID/DD Community Care Act, the MC/DD Act, or the
11 Specialized Mental Health Rehabilitation Act of 2013.

12 (14) Semen used for artificial insemination of livestock
13 for direct agricultural production.

14 (15) Horses, or interests in horses, registered with and
15 meeting the requirements of any of the Arabian Horse Club
16 Registry of America, Appaloosa Horse Club, American Quarter
17 Horse Association, United States Trotting Association, or
18 Jockey Club, as appropriate, used for purposes of breeding or
19 racing for prizes. This item (15) is exempt from the
20 provisions of Section 3-55, and the exemption provided for
21 under this item (15) applies for all periods beginning May 30,
22 1995, but no claim for credit or refund is allowed on or after
23 January 1, 2008 (the effective date of Public Act 95-88) for
24 such taxes paid during the period beginning May 30, 2000 and
25 ending on January 1, 2008 (the effective date of Public Act
26 95-88).

1 (16) Computers and communications equipment utilized for
2 any hospital purpose and equipment used in the diagnosis,
3 analysis, or treatment of hospital patients sold to a lessor
4 who leases the equipment, under a lease of one year or longer
5 executed or in effect at the time of the purchase, to a
6 hospital that has been issued an active tax exemption
7 identification number by the Department under Section 1g of
8 the Retailers' Occupation Tax Act.

9 (17) Personal property sold to a lessor who leases the
10 property, under a lease of one year or longer executed or in
11 effect at the time of the purchase, to a governmental body that
12 has been issued an active tax exemption identification number
13 by the Department under Section 1g of the Retailers'
14 Occupation Tax Act.

15 (18) Beginning with taxable years ending on or after
16 December 31, 1995 and ending with taxable years ending on or
17 before December 31, 2004, personal property that is donated
18 for disaster relief to be used in a State or federally declared
19 disaster area in Illinois or bordering Illinois by a
20 manufacturer or retailer that is registered in this State to a
21 corporation, society, association, foundation, or institution
22 that has been issued a sales tax exemption identification
23 number by the Department that assists victims of the disaster
24 who reside within the declared disaster area.

25 (19) Beginning with taxable years ending on or after
26 December 31, 1995 and ending with taxable years ending on or

1 before December 31, 2004, personal property that is used in
2 the performance of infrastructure repairs in this State,
3 including, but not limited to, municipal roads and streets,
4 access roads, bridges, sidewalks, waste disposal systems,
5 water and sewer line extensions, water distribution and
6 purification facilities, storm water drainage and retention
7 facilities, and sewage treatment facilities, resulting from a
8 State or federally declared disaster in Illinois or bordering
9 Illinois when such repairs are initiated on facilities located
10 in the declared disaster area within 6 months after the
11 disaster.

12 (20) Beginning July 1, 1999, game or game birds sold at a
13 "game breeding and hunting preserve area" as that term is used
14 in the Wildlife Code. This paragraph is exempt from the
15 provisions of Section 3-55.

16 (21) A motor vehicle, as that term is defined in Section
17 1-146 of the Illinois Vehicle Code, that is donated to a
18 corporation, limited liability company, society, association,
19 foundation, or institution that is determined by the
20 Department to be organized and operated exclusively for
21 educational purposes. For purposes of this exemption, "a
22 corporation, limited liability company, society, association,
23 foundation, or institution organized and operated exclusively
24 for educational purposes" means all tax-supported public
25 schools, private schools that offer systematic instruction in
26 useful branches of learning by methods common to public

1 schools and that compare favorably in their scope and
2 intensity with the course of study presented in tax-supported
3 schools, and vocational or technical schools or institutes
4 organized and operated exclusively to provide a course of
5 study of not less than 6 weeks duration and designed to prepare
6 individuals to follow a trade or to pursue a manual,
7 technical, mechanical, industrial, business, or commercial
8 occupation.

9 (22) Beginning January 1, 2000, personal property,
10 including food, purchased through fundraising events for the
11 benefit of a public or private elementary or secondary school,
12 a group of those schools, or one or more school districts if
13 the events are sponsored by an entity recognized by the school
14 district that consists primarily of volunteers and includes
15 parents and teachers of the school children. This paragraph
16 does not apply to fundraising events (i) for the benefit of
17 private home instruction or (ii) for which the fundraising
18 entity purchases the personal property sold at the events from
19 another individual or entity that sold the property for the
20 purpose of resale by the fundraising entity and that profits
21 from the sale to the fundraising entity. This paragraph is
22 exempt from the provisions of Section 3-55.

23 (23) Beginning January 1, 2000 and through December 31,
24 2001, new or used automatic vending machines that prepare and
25 serve hot food and beverages, including coffee, soup, and
26 other items, and replacement parts for these machines.

1 Beginning January 1, 2002 and through June 30, 2003, machines
2 and parts for machines used in commercial, coin-operated
3 amusement and vending business if a use or occupation tax is
4 paid on the gross receipts derived from the use of the
5 commercial, coin-operated amusement and vending machines. This
6 paragraph is exempt from the provisions of Section 3-55.

7 (24) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), computers and communications equipment
9 utilized for any hospital purpose and equipment used in the
10 diagnosis, analysis, or treatment of hospital patients sold to
11 a lessor who leases the equipment, under a lease of one year or
12 longer executed or in effect at the time of the purchase, to a
13 hospital that has been issued an active tax exemption
14 identification number by the Department under Section 1g of
15 the Retailers' Occupation Tax Act. This paragraph is exempt
16 from the provisions of Section 3-55.

17 (25) Beginning on August 2, 2001 (the effective date of
18 Public Act 92-227), personal property sold to a lessor who
19 leases the property, under a lease of one year or longer
20 executed or in effect at the time of the purchase, to a
21 governmental body that has been issued an active tax exemption
22 identification number by the Department under Section 1g of
23 the Retailers' Occupation Tax Act. This paragraph is exempt
24 from the provisions of Section 3-55.

25 (26) Beginning on January 1, 2002 and through June 30,
26 2016, tangible personal property purchased from an Illinois

1 retailer by a taxpayer engaged in centralized purchasing
2 activities in Illinois who will, upon receipt of the property
3 in Illinois, temporarily store the property in Illinois (i)
4 for the purpose of subsequently transporting it outside this
5 State for use or consumption thereafter solely outside this
6 State or (ii) for the purpose of being processed, fabricated,
7 or manufactured into, attached to, or incorporated into other
8 tangible personal property to be transported outside this
9 State and thereafter used or consumed solely outside this
10 State. The Director of Revenue shall, pursuant to rules
11 adopted in accordance with the Illinois Administrative
12 Procedure Act, issue a permit to any taxpayer in good standing
13 with the Department who is eligible for the exemption under
14 this paragraph (26). The permit issued under this paragraph
15 (26) shall authorize the holder, to the extent and in the
16 manner specified in the rules adopted under this Act, to
17 purchase tangible personal property from a retailer exempt
18 from the taxes imposed by this Act. Taxpayers shall maintain
19 all necessary books and records to substantiate the use and
20 consumption of all such tangible personal property outside of
21 the State of Illinois.

22 (27) Beginning January 1, 2008, tangible personal property
23 used in the construction or maintenance of a community water
24 supply, as defined under Section 3.145 of the Environmental
25 Protection Act, that is operated by a not-for-profit
26 corporation that holds a valid water supply permit issued

1 under Title IV of the Environmental Protection Act. This
2 paragraph is exempt from the provisions of Section 3-55.

3 (28) Tangible personal property sold to a
4 public-facilities corporation, as described in Section
5 11-65-10 of the Illinois Municipal Code, for purposes of
6 constructing or furnishing a municipal convention hall, but
7 only if the legal title to the municipal convention hall is
8 transferred to the municipality without any further
9 consideration by or on behalf of the municipality at the time
10 of the completion of the municipal convention hall or upon the
11 retirement or redemption of any bonds or other debt
12 instruments issued by the public-facilities corporation in
13 connection with the development of the municipal convention
14 hall. This exemption includes existing public-facilities
15 corporations as provided in Section 11-65-25 of the Illinois
16 Municipal Code. This paragraph is exempt from the provisions
17 of Section 3-55.

18 (29) Beginning January 1, 2010 and continuing through
19 December 31, 2029, materials, parts, equipment, components,
20 and furnishings incorporated into or upon an aircraft as part
21 of the modification, refurbishment, completion, replacement,
22 repair, or maintenance of the aircraft. This exemption
23 includes consumable supplies used in the modification,
24 refurbishment, completion, replacement, repair, and
25 maintenance of aircraft. However, until January 1, 2024, this
26 exemption excludes any materials, parts, equipment,

1 components, and consumable supplies used in the modification,
2 replacement, repair, and maintenance of aircraft engines or
3 power plants, whether such engines or power plants are
4 installed or uninstalled upon any such aircraft. "Consumable
5 supplies" include, but are not limited to, adhesive, tape,
6 sandpaper, general purpose lubricants, cleaning solution,
7 latex gloves, and protective films.

8 Beginning January 1, 2010 and continuing through December
9 31, 2023, this exemption applies only to the transfer of
10 qualifying tangible personal property incident to the
11 modification, refurbishment, completion, replacement, repair,
12 or maintenance of an aircraft by persons who (i) hold an Air
13 Agency Certificate and are empowered to operate an approved
14 repair station by the Federal Aviation Administration, (ii)
15 have a Class IV Rating, and (iii) conduct operations in
16 accordance with Part 145 of the Federal Aviation Regulations.
17 The exemption does not include aircraft operated by a
18 commercial air carrier providing scheduled passenger air
19 service pursuant to authority issued under Part 121 or Part
20 129 of the Federal Aviation Regulations. From January 1, 2024
21 through December 31, 2029, this exemption applies only to the
22 transfer of qualifying tangible personal property incident to:
23 (A) the modification, refurbishment, completion, repair,
24 replacement, or maintenance of an aircraft by persons who (i)
25 hold an Air Agency Certificate and are empowered to operate an
26 approved repair station by the Federal Aviation

1 Administration, (ii) have a Class IV Rating, and (iii) conduct
2 operations in accordance with Part 145 of the Federal Aviation
3 Regulations; and (B) the modification, replacement, repair,
4 and maintenance of aircraft engines or power plants without
5 regard to whether or not those persons meet the qualifications
6 of item (A).

7 The changes made to this paragraph (29) by Public Act
8 98-534 are declarative of existing law. It is the intent of the
9 General Assembly that the exemption under this paragraph (29)
10 applies continuously from January 1, 2010 through December 31,
11 2024; however, no claim for credit or refund is allowed for
12 taxes paid as a result of the disallowance of this exemption on
13 or after January 1, 2015 and prior to February 5, 2020 (the
14 effective date of Public Act 101-629).

15 (30) Beginning January 1, 2017 and through December 31,
16 2026, menstrual pads, tampons, and menstrual cups.

17 (31) Tangible personal property transferred to a purchaser
18 who is exempt from tax by operation of federal law. This
19 paragraph is exempt from the provisions of Section 3-55.

20 (32) Qualified tangible personal property used in the
21 construction or operation of a data center that has been
22 granted a certificate of exemption by the Department of
23 Commerce and Economic Opportunity, whether that tangible
24 personal property is purchased by the owner, operator, or
25 tenant of the data center or by a contractor or subcontractor
26 of the owner, operator, or tenant. Data centers that would

1 have qualified for a certificate of exemption prior to January
2 1, 2020 had Public Act 101-31 been in effect, may apply for and
3 obtain an exemption for subsequent purchases of computer
4 equipment or enabling software purchased or leased to upgrade,
5 supplement, or replace computer equipment or enabling software
6 purchased or leased in the original investment that would have
7 qualified.

8 The Department of Commerce and Economic Opportunity shall
9 grant a certificate of exemption under this item (32) to
10 qualified data centers as defined by Section 605-1025 of the
11 Department of Commerce and Economic Opportunity Law of the
12 Civil Administrative Code of Illinois.

13 For the purposes of this item (32):

14 "Data center" means a building or a series of
15 buildings rehabilitated or constructed to house working
16 servers in one physical location or multiple sites within
17 the State of Illinois.

18 "Qualified tangible personal property" means:
19 electrical systems and equipment; climate control and
20 chilling equipment and systems; mechanical systems and
21 equipment; monitoring and secure systems; emergency
22 generators; hardware; computers; servers; data storage
23 devices; network connectivity equipment; racks; cabinets;
24 telecommunications cabling infrastructure; raised floor
25 systems; peripheral components or systems; software;
26 mechanical, electrical, or plumbing systems; battery

1 systems; cooling systems and towers; temperature control
2 systems; other cabling; and other data center
3 infrastructure equipment and systems necessary to operate
4 qualified tangible personal property, including fixtures;
5 and component parts of any of the foregoing, including
6 installation, maintenance, repair, refurbishment, and
7 replacement of qualified tangible personal property to
8 generate, transform, transmit, distribute, or manage
9 electricity necessary to operate qualified tangible
10 personal property; and all other tangible personal
11 property that is essential to the operations of a computer
12 data center. The term "qualified tangible personal
13 property" also includes building materials physically
14 incorporated into the qualifying data center. To document
15 the exemption allowed under this Section, the retailer
16 must obtain from the purchaser a copy of the certificate
17 of eligibility issued by the Department of Commerce and
18 Economic Opportunity.

19 This item (32) is exempt from the provisions of Section
20 3-55.

21 (33) Beginning July 1, 2022, breast pumps, breast pump
22 collection and storage supplies, and breast pump kits. This
23 item (33) is exempt from the provisions of Section 3-55. As
24 used in this item (33):

25 "Breast pump" means an electrically controlled or
26 manually controlled pump device designed or marketed to be

1 used to express milk from a human breast during lactation,
2 including the pump device and any battery, AC adapter, or
3 other power supply unit that is used to power the pump
4 device and is packaged and sold with the pump device at the
5 time of sale.

6 "Breast pump collection and storage supplies" means
7 items of tangible personal property designed or marketed
8 to be used in conjunction with a breast pump to collect
9 milk expressed from a human breast and to store collected
10 milk until it is ready for consumption.

11 "Breast pump collection and storage supplies"
12 includes, but is not limited to: breast shields and breast
13 shield connectors; breast pump tubes and tubing adapters;
14 breast pump valves and membranes; backflow protectors and
15 backflow protector adaptors; bottles and bottle caps
16 specific to the operation of the breast pump; and breast
17 milk storage bags.

18 "Breast pump collection and storage supplies" does not
19 include: (1) bottles and bottle caps not specific to the
20 operation of the breast pump; (2) breast pump travel bags
21 and other similar carrying accessories, including ice
22 packs, labels, and other similar products; (3) breast pump
23 cleaning supplies; (4) nursing bras, bra pads, breast
24 shells, and other similar products; and (5) creams,
25 ointments, and other similar products that relieve
26 breastfeeding-related symptoms or conditions of the

1 breasts or nipples, unless sold as part of a breast pump
2 kit that is pre-packaged by the breast pump manufacturer
3 or distributor.

4 "Breast pump kit" means a kit that: (1) contains no
5 more than a breast pump, breast pump collection and
6 storage supplies, a rechargeable battery for operating the
7 breast pump, a breastmilk cooler, bottle stands, ice
8 packs, and a breast pump carrying case; and (2) is
9 pre-packaged as a breast pump kit by the breast pump
10 manufacturer or distributor.

11 (34) Tangible personal property sold by or on behalf of
12 the State Treasurer pursuant to the Revised Uniform Unclaimed
13 Property Act. This item (34) is exempt from the provisions of
14 Section 3-55.

15 (35) Beginning on January 1, 2024, tangible personal
16 property purchased by an active duty member of the armed
17 forces of the United States who presents valid military
18 identification and purchases the property using a form of
19 payment where the federal government is the payor. The member
20 of the armed forces must complete, at the point of sale, a form
21 prescribed by the Department of Revenue documenting that the
22 transaction is eligible for the exemption under this
23 paragraph. Retailers must keep the form as documentation of
24 the exemption in their records for a period of not less than 6
25 years. "Armed forces of the United States" means the United
26 States Army, Navy, Air Force, Space Force, Marine Corps, or

1 Coast Guard. This paragraph is exempt from the provisions of
2 Section 3-55.

3 (36) Beginning July 1, 2024, home-delivered meals provided
4 to Medicare or Medicaid recipients when payment is made by an
5 intermediary, such as a Medicare Administrative Contractor, a
6 Managed Care Organization, or a Medicare Advantage
7 Organization, pursuant to a government contract. This
8 paragraph (36) is exempt from the provisions of Section 3-55.

9 (37) Beginning on January 1, 2026, as further defined in
10 Section 3-10, food prepared for immediate consumption and
11 transferred incident to a sale of service subject to this Act
12 or the Service Use Tax Act by an entity licensed under the
13 Hospital Licensing Act, the Nursing Home Care Act, the
14 Assisted Living and Shared Housing Act, the ID/DD Community
15 Care Act, the MC/DD Act, the Specialized Mental Health
16 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by
17 an entity that holds a permit issued pursuant to the Life Care
18 Facilities Act. This item (37) is exempt from the provisions
19 of Section 3-55.

20 (38) Beginning on January 1, 2026, as further defined in
21 Section 3-10, food for human consumption that is to be
22 consumed off the premises where it is sold (other than
23 alcoholic liquor taxable under Section 8-1 of the Liquor
24 Control Act of 1934 ~~beverages~~, food consisting of or infused
25 with adult use cannabis, soft drinks, candy, and food that has
26 been prepared for immediate consumption). This item (38) is

1 exempt from the provisions of Section 3-55.

2 (39) The lease of the following tangible personal
3 property:

4 (1) computer software transferred subject to a license
5 that meets the following requirements:

6 (A) it is evidenced by a written agreement signed
7 by the licensor and the customer;

8 (i) an electronic agreement in which the
9 customer accepts the license by means of an
10 electronic signature that is verifiable and can be
11 authenticated and is attached to or made part of
12 the license will comply with this requirement;

13 (ii) a license agreement in which the customer
14 electronically accepts the terms by clicking "I
15 agree" does not comply with this requirement;

16 (B) it restricts the customer's duplication and
17 use of the software;

18 (C) it prohibits the customer from licensing,
19 sublicensing, or transferring the software to a third
20 party (except to a related party) without the
21 permission and continued control of the licensor;

22 (D) the licensor has a policy of providing another
23 copy at minimal or no charge if the customer loses or
24 damages the software, or of permitting the licensee to
25 make and keep an archival copy, and such policy is
26 either stated in the license agreement, supported by

1 the licensor's books and records, or supported by a
2 notarized statement made under penalties of perjury by
3 the licensor; and

4 (E) the customer must destroy or return all copies
5 of the software to the licensor at the end of the
6 license period; this provision is deemed to be met, in
7 the case of a perpetual license, without being set
8 forth in the license agreement; and

9 (2) property that is subject to a tax on lease
10 receipts imposed by a home rule unit of local government
11 if the ordinance imposing that tax was adopted prior to
12 January 1, 2023.

13 (Source: P.A. 103-9, Article 5, Section 5-15, eff. 6-7-23;
14 103-9, Article 15, Section 15-15, eff. 6-7-23; 103-154, eff.
15 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
16 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
17 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.
18 8-15-25.)

19 (35 ILCS 115/3-10)

20 Sec. 3-10. Rate of tax. Unless otherwise provided in this
21 Section, the tax imposed by this Act is at the rate of 6.25% of
22 the "selling price", as defined in Section 2 of the Service Use
23 Tax Act, of the tangible personal property, including, on and
24 after January 1, 2025, tangible personal property transferred
25 by lease. For the purpose of computing this tax, in no event

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

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

18 With respect to gasohol, as defined in the Use Tax Act, the
19 tax imposed by this Act shall apply to (i) 70% of the cost
20 price of property transferred as an incident to the sale of
21 service on or after January 1, 1990, and before July 1, 2003,
22 (ii) 80% of the selling price of property transferred as an
23 incident to the sale of service on or after July 1, 2003 and on
24 or before July 1, 2017, (iii) 100% of the selling price of
25 property transferred as an incident to the sale of service
26 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of

1 the selling price of property transferred as an incident to
2 the sale of service on or after January 1, 2024 and on or
3 before December 31, 2028, and (v) 100% of the selling price of
4 property transferred as an incident to the sale of service
5 after December 31, 2028. If, at any time, however, the tax
6 under this Act on sales of gasohol, as defined in the Use Tax
7 Act, is imposed at the rate of 1.25%, then the tax imposed by
8 this Act applies to 100% of the proceeds of sales of gasohol
9 made during that time.

10 With respect to mid-range ethanol blends, as defined in
11 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
12 applies to (i) 80% of the selling price of property
13 transferred as an incident to the sale of service on or after
14 January 1, 2024 and on or before December 31, 2028 and (ii)
15 100% of the selling price of property transferred as an
16 incident to the sale of service after December 31, 2028. If, at
17 any time, however, the tax under this Act on sales of mid-range
18 ethanol blends is imposed at the rate of 1.25%, then the tax
19 imposed by this Act applies to 100% of the selling price of
20 mid-range ethanol blends transferred as an incident to the
21 sale of service during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the selling price of property transferred as an incident to
25 the sale of service on or after July 1, 2003 and on or before
26 December 31, 2028 but applies to 100% of the selling price

1 thereafter.

2 With respect to biodiesel blends, as defined in the Use
3 Tax Act, with no less than 1% and no more than 10% biodiesel,
4 the tax imposed by this Act applies to (i) 80% of the selling
5 price of property transferred as an incident to the sale of
6 service on or after July 1, 2003 and on or before December 31,
7 2018 and (ii) 100% of the proceeds of the selling price after
8 December 31, 2018 and before January 1, 2024. On and after
9 January 1, 2024 and on or before December 31, 2030, the
10 taxation of biodiesel, renewable diesel, and biodiesel blends
11 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
12 at any time, however, the tax under this Act on sales of
13 biodiesel blends, as defined in the Use Tax Act, with no less
14 than 1% and no more than 10% biodiesel is imposed at the rate
15 of 1.25%, then the tax imposed by this Act applies to 100% of
16 the proceeds of sales of biodiesel blends with no less than 1%
17 and no more than 10% biodiesel made during that time.

18 With respect to biodiesel, as defined in the Use Tax Act,
19 and biodiesel blends, as defined in the Use Tax Act, with more
20 than 10% but no more than 99% biodiesel material, the tax
21 imposed by this Act does not apply to the proceeds of the
22 selling price of property transferred as an incident to the
23 sale of service on or after July 1, 2003 and on or before
24 December 31, 2023. On and after January 1, 2024 and on or
25 before December 31, 2030, the taxation of biodiesel, renewable
26 diesel, and biodiesel blends shall be as provided in Section

1 3-5.1 of the Use Tax Act.

2 At the election of any registered serviceman made for each
3 fiscal year, for whom the aggregate annual cost price of
4 tangible personal property transferred as an incident to the
5 sales of service is less than 35%, or 75% in the case of
6 servicemen transferring prescription drugs or servicemen
7 engaged in graphic arts production, of the aggregate annual
8 total gross receipts from all sales of service, the tax
9 imposed by this Act shall be based on the serviceman's cost
10 price of the tangible personal property transferred incident
11 to the sale of those services. This election may also be made
12 by a serviceman maintaining a place of business in this State
13 who makes retail sales from outside of this State to Illinois
14 customers but is not required to be registered under Section
15 2a of the Retailers' Occupation Tax Act. Beginning January 1,
16 2026, this election shall not apply to any sale of service made
17 through a marketplace that has met the threshold in subsection
18 (d) of Section 3 of this Act.

19 Beginning January 1, 2026, the tax shall be imposed at the
20 rate of 6.25% of 50% of the entire billing to the service
21 customer for all sales of service made through a marketplace
22 that has met the threshold in subsection (d) of Section 3 of
23 this Act. In no event shall 50% of the entire billing be less
24 than the cost price of the property to the marketplace
25 serviceman or the marketplace facilitator on its own sales of
26 service.

1 Until July 1, 2022 and from July 1, 2023 through December
2 31, 2025, the tax shall be imposed at the rate of 1% on food
3 prepared for immediate consumption and transferred incident to
4 a sale of service subject to this Act or the Service Use Tax
5 Act by an entity licensed under the Hospital Licensing Act,
6 the Nursing Home Care Act, the Assisted Living and Shared
7 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
8 Specialized Mental Health Rehabilitation Act of 2013, or the
9 Child Care Act of 1969, or an entity that holds a permit issued
10 pursuant to the Life Care Facilities Act. Until July 1, 2022
11 and from July 1, 2023 through December 31, 2025, the tax shall
12 also be imposed at the rate of 1% on food for human consumption
13 that is to be consumed off the premises where it is sold (other
14 than alcoholic beverages, food consisting of or infused with
15 adult use cannabis, soft drinks, and food that has been
16 prepared for immediate consumption and is not otherwise
17 included in this paragraph).

18 Beginning on July 1, 2022 and until July 1, 2023, the tax
19 shall be imposed at the rate of 0% on food prepared for
20 immediate consumption and transferred incident to a sale of
21 service subject to this Act or the Service Use Tax Act by an
22 entity licensed under the Hospital Licensing Act, the Nursing
23 Home Care Act, the Assisted Living and Shared Housing Act, the
24 ID/DD Community Care Act, the MC/DD Act, the Specialized
25 Mental Health Rehabilitation Act of 2013, or the Child Care
26 Act of 1969, or an entity that holds a permit issued pursuant

1 to the Life Care Facilities Act. Beginning July 1, 2022 and
2 until July 1, 2023, the tax shall also be imposed at the rate
3 of 0% on food for human consumption that is to be consumed off
4 the premises where it is sold (other than alcoholic beverages,
5 food consisting of or infused with adult use cannabis, soft
6 drinks, and food that has been prepared for immediate
7 consumption and is not otherwise included in this paragraph).

8 On and after January 1, 2026, food prepared for immediate
9 consumption and transferred incident to a sale of service
10 subject to this Act or the Service Use Tax Act by an entity
11 licensed under the Hospital Licensing Act, the Nursing Home
12 Care Act, the Assisted Living and Shared Housing Act, the
13 ID/DD Community Care Act, the MC/DD Act, the Specialized
14 Mental Health Rehabilitation Act of 2013, or the Child Care
15 Act of 1969, or an entity that holds a permit issued pursuant
16 to the Life Care Facilities Act is exempt from the tax imposed
17 by this Act. On and after January 1, 2026, food for human
18 consumption that is to be consumed off the premises where it is
19 sold (other than alcoholic liquor taxable under Section 8-1 of
20 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
21 or infused with adult use cannabis, soft drinks, candy, and
22 food that has been prepared for immediate consumption and is
23 not otherwise included in this paragraph) is exempt from the
24 tax imposed by this Act.

25 The tax shall be imposed at the rate of 1% on prescription
26 and nonprescription medicines, drugs, medical appliances,

1 products classified as Class III medical devices by the United
2 States Food and Drug Administration that are used for cancer
3 treatment pursuant to a prescription, as well as any
4 accessories and components related to those devices,
5 modifications to a motor vehicle for the purpose of rendering
6 it usable by a person with a disability, and insulin, blood
7 sugar testing materials, syringes, and needles used by human
8 diabetics. For the purposes of this Section, until September
9 1, 2009: 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 can, carton, or
15 container, regardless of size; but "soft drinks" does not
16 include coffee, tea, non-carbonated water, infant formula,
17 milk or milk products as defined in the Grade A Pasteurized
18 Milk and Milk Products Act, or drinks containing 50% or more
19 natural fruit or vegetable juice.

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

26 Until August 1, 2009, and notwithstanding any other

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

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

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "nonprescription medicines and
23 drugs" does not include grooming and hygiene products. For
24 purposes of this Section, "grooming and hygiene products"
25 includes, but is not limited to, soaps and cleaning solutions,
26 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan

1 lotions and screens, unless those products are available by
2 prescription only, regardless of whether the products meet the
3 definition of "over-the-counter-drugs". For the purposes of
4 this paragraph, "over-the-counter-drug" means a drug for human
5 use that contains a label that identifies the product as a drug
6 as required by 21 CFR 201.66. The "over-the-counter-drug"
7 label includes:

8 (A) a "Drug Facts" panel; or

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

12 Beginning on January 1, 2014 (the effective date of Public
13 Act 98-122), "prescription and nonprescription medicines and
14 drugs" includes medical cannabis purchased from a registered
15 dispensing organization under the Compassionate Use of Medical
16 Cannabis Program Act.

17 As used in this Section, "adult use cannabis" means
18 cannabis subject to tax under the Cannabis Cultivation
19 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
20 and does not include cannabis subject to tax under the
21 Compassionate Use of Medical Cannabis Program Act.

22 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
23 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-6, eff.
24 6-16-25; 104-417, eff. 8-15-25.)

25 Section 70-40. The Retailers' Occupation Tax Act is

1 amended by changing Sections 2-5, 2-10, and 2-13 as follows:

2 (35 ILCS 120/2-5)

3 Sec. 2-5. Exemptions. Gross receipts from proceeds from
4 the sale, which, on and after January 1, 2025, includes the
5 lease, of the following tangible personal property are exempt
6 from the tax imposed by this Act:

7 (1) Farm chemicals.

8 (2) Farm machinery and equipment, both new and used,
9 including that manufactured on special order, certified by
10 the purchaser to be used primarily for production
11 agriculture or State or federal agricultural programs,
12 including individual replacement parts for the machinery
13 and equipment, including machinery and equipment purchased
14 for lease, and including implements of husbandry defined
15 in Section 1-130 of the Illinois Vehicle Code, farm
16 machinery and agricultural chemical and fertilizer
17 spreaders, and nurse wagons required to be registered
18 under Section 3-809 of the Illinois Vehicle Code, but
19 excluding other motor vehicles required to be registered
20 under the Illinois Vehicle Code. Horticultural polyhouses
21 or hoop houses used for propagating, growing, or
22 overwintering plants shall be considered farm machinery
23 and equipment under this item (2). Agricultural chemical
24 tender tanks and dry boxes shall include units sold
25 separately from a motor vehicle required to be licensed

1 and units sold mounted on a motor vehicle required to be
2 licensed, if the selling price of the tender is separately
3 stated.

4 Farm machinery and equipment shall include precision
5 farming equipment that is installed or purchased to be
6 installed on farm machinery and equipment including, but
7 not limited to, tractors, harvesters, sprayers, planters,
8 seeders, or spreaders. Precision farming equipment
9 includes, but is not limited to, soil testing sensors,
10 computers, monitors, software, global positioning and
11 mapping systems, and other such equipment.

12 Farm machinery and equipment also includes computers,
13 sensors, software, and related equipment used primarily in
14 the computer-assisted operation of production agriculture
15 facilities, equipment, and activities such as, but not
16 limited to, the collection, monitoring, and correlation of
17 animal and crop data for the purpose of formulating animal
18 diets and agricultural chemicals.

19 Beginning on January 1, 2024, farm machinery and
20 equipment also includes electrical power generation
21 equipment used primarily for production agriculture.

22 This item (2) is exempt from the provisions of Section
23 2-70.

24 (3) Until July 1, 2003, distillation machinery and
25 equipment, sold as a unit or kit, assembled or installed
26 by the retailer, certified by the user to be used only for

1 the production of ethyl alcohol that will be used for
2 consumption as motor fuel or as a component of motor fuel
3 for the personal use of the user, and not subject to sale
4 or resale.

5 (4) Until July 1, 2003 and beginning again September
6 1, 2004 through August 30, 2014, graphic arts machinery
7 and equipment, including repair and replacement parts,
8 both new and used, and including that manufactured on
9 special order or purchased for lease, certified by the
10 purchaser to be used primarily for graphic arts
11 production. Equipment includes chemicals or chemicals
12 acting as catalysts but only if the chemicals or chemicals
13 acting as catalysts effect a direct and immediate change
14 upon a graphic arts product. Beginning on July 1, 2017,
15 graphic arts machinery and equipment is included in the
16 manufacturing and assembling machinery and equipment
17 exemption under paragraph (14).

18 (5) A motor vehicle that is used for automobile
19 renting, as defined in the Automobile Renting Occupation
20 and Use Tax Act. This paragraph is exempt from the
21 provisions of Section 2-70.

22 (6) Personal property sold by a teacher-sponsored
23 student organization affiliated with an elementary or
24 secondary school located in Illinois.

25 (7) Until July 1, 2003, proceeds of that portion of
26 the selling price of a passenger car the sale of which is

1 subject to the Replacement Vehicle Tax.

2 (8) Personal property sold to an Illinois county fair
3 association for use in conducting, operating, or promoting
4 the county fair.

5 (9) Personal property sold to a not-for-profit arts or
6 cultural organization that establishes, by proof required
7 by the Department by rule, that it has received an
8 exemption under Section 501(c)(3) of the Internal Revenue
9 Code and that is organized and operated primarily for the
10 presentation or support of arts or cultural programming,
11 activities, or services. These organizations include, but
12 are not limited to, music and dramatic arts organizations
13 such as symphony orchestras and theatrical groups, arts
14 and cultural service organizations, local arts councils,
15 visual arts organizations, and media arts organizations.
16 On and after July 1, 2001 (the effective date of Public Act
17 92-35), however, an entity otherwise eligible for this
18 exemption shall not make tax-free purchases unless it has
19 an active identification number issued by the Department.

20 (10) Personal property sold by a corporation, society,
21 association, foundation, institution, or organization,
22 other than a limited liability company, that is organized
23 and operated as a not-for-profit service enterprise for
24 the benefit of persons 65 years of age or older if the
25 personal property was not purchased by the enterprise for
26 the purpose of resale by the enterprise.

1 (11) Except as otherwise provided in this Section,
2 personal property sold to a governmental body, to a
3 corporation, society, association, foundation, or
4 institution organized and operated exclusively for
5 charitable, religious, or educational purposes, or to a
6 not-for-profit corporation, society, association,
7 foundation, institution, or organization that has no
8 compensated officers or employees and that is organized
9 and operated primarily for the recreation of persons 55
10 years of age or older. A limited liability company may
11 qualify for the exemption under this paragraph only if the
12 limited liability company is organized and operated
13 exclusively for educational purposes. On and after July 1,
14 1987, however, no entity otherwise eligible for this
15 exemption shall make tax-free purchases unless it has an
16 active identification number issued by the Department.

17 (12) (Blank).

18 (12-5) On and after July 1, 2003 and through June 30,
19 2004, motor vehicles of the second division with a gross
20 vehicle weight in excess of 8,000 pounds that are subject
21 to the commercial distribution fee imposed under Section
22 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
23 2004 and through June 30, 2005, the use in this State of
24 motor vehicles of the second division: (i) with a gross
25 vehicle weight rating in excess of 8,000 pounds; (ii) that
26 are subject to the commercial distribution fee imposed

1 under Section 3-815.1 of the Illinois Vehicle Code; and
2 (iii) that are primarily used for commercial purposes.
3 Through June 30, 2005, this exemption applies to repair
4 and replacement parts added after the initial purchase of
5 such a motor vehicle if that motor vehicle is used in a
6 manner that would qualify for the rolling stock exemption
7 otherwise provided for in this Act. For purposes of this
8 paragraph, "used for commercial purposes" means the
9 transportation of persons or property in furtherance of
10 any commercial or industrial enterprise whether for-hire
11 or not.

12 (13) Proceeds from sales to owners or lessors,
13 lessees, or shippers of tangible personal property that is
14 utilized by interstate carriers for hire for use as
15 rolling stock moving in interstate commerce and equipment
16 operated by a telecommunications provider, licensed as a
17 common carrier by the Federal Communications Commission,
18 which is permanently installed in or affixed to aircraft
19 moving in interstate commerce.

20 (14) Machinery and equipment that will be used by the
21 purchaser, or a lessee of the purchaser, primarily in the
22 process of manufacturing or assembling tangible personal
23 property for wholesale or retail sale or lease, whether
24 the sale or lease is made directly by the manufacturer or
25 by some other person, whether the materials used in the
26 process are owned by the manufacturer or some other

1 person, or whether the sale or lease is made apart from or
2 as an incident to the seller's engaging in the service
3 occupation of producing machines, tools, dies, jigs,
4 patterns, gauges, or other similar items of no commercial
5 value on special order for a particular purchaser. The
6 exemption provided by this paragraph (14) does not include
7 machinery and equipment used in (i) the generation of
8 electricity for wholesale or retail sale; (ii) the
9 generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment
12 of water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The
14 provisions of Public Act 98-583 are declaratory of
15 existing law as to the meaning and scope of this
16 exemption. Beginning on July 1, 2017, the exemption
17 provided by this paragraph (14) includes, but is not
18 limited to, graphic arts machinery and equipment, as
19 defined in paragraph (4) of this Section.

20 (15) Proceeds of mandatory service charges separately
21 stated on customers' bills for purchase and consumption of
22 food and beverages, to the extent that the proceeds of the
23 service charge are in fact turned over as tips or as a
24 substitute for tips to the employees who participate
25 directly in preparing, serving, hosting or cleaning up the
26 food or beverage function with respect to which the

1 service charge is imposed.

2 (16) Tangible personal property sold to a purchaser if
3 the purchaser is exempt from use tax by operation of
4 federal law. This paragraph is exempt from the provisions
5 of Section 2-70.

6 (17) Tangible personal property sold to a common
7 carrier by rail or motor that receives the physical
8 possession of the property in Illinois and that transports
9 the property, or shares with another common carrier in the
10 transportation of the property, out of Illinois on a
11 standard uniform bill of lading showing the seller of the
12 property as the shipper or consignor of the property to a
13 destination outside Illinois, for use outside Illinois.

14 (18) Legal tender, currency, medallions, or gold or
15 silver coinage issued by the State of Illinois, the
16 government of the United States of America, or the
17 government of any foreign country, and bullion.

18 (19) Until July 1, 2003, oil field exploration,
19 drilling, and production equipment, including (i) rigs and
20 parts of rigs, rotary rigs, cable tool rigs, and workover
21 rigs, (ii) pipe and tubular goods, including casing and
22 drill strings, (iii) pumps and pump-jack units, (iv)
23 storage tanks and flow lines, (v) any individual
24 replacement part for oil field exploration, drilling, and
25 production equipment, and (vi) machinery and equipment
26 purchased for lease; but excluding motor vehicles required

1 to be registered under the Illinois Vehicle Code.

2 (20) Photoprocessing machinery and equipment,
3 including repair and replacement parts, both new and used,
4 including that manufactured on special order, certified by
5 the purchaser to be used primarily for photoprocessing,
6 and including photoprocessing machinery and equipment
7 purchased for lease.

8 (21) Until July 1, 2028, coal and aggregate
9 exploration, mining, off-highway hauling, processing,
10 maintenance, and reclamation equipment, including
11 replacement parts and equipment, and including equipment
12 purchased for lease, but excluding motor vehicles required
13 to be registered under the Illinois Vehicle Code. The
14 changes made to this Section by Public Act 97-767 apply on
15 and after July 1, 2003, but no claim for credit or refund
16 is allowed on or after August 16, 2013 (the effective date
17 of Public Act 98-456) for such taxes paid during the
18 period beginning July 1, 2003 and ending on August 16,
19 2013 (the effective date of Public Act 98-456).

20 (22) Until June 30, 2013, fuel and petroleum products
21 sold to or used by an air carrier, certified by the carrier
22 to be used for consumption, shipment, or storage in the
23 conduct of its business as an air common carrier, for a
24 flight destined for or returning from a location or
25 locations outside the United States without regard to
26 previous or subsequent domestic stopovers.

1 Beginning July 1, 2013, fuel and petroleum products
2 sold to or used by an air carrier, certified by the carrier
3 to be used for consumption, shipment, or storage in the
4 conduct of its business as an air common carrier, for a
5 flight that (i) is engaged in foreign trade or is engaged
6 in trade between the United States and any of its
7 possessions and (ii) transports at least one individual or
8 package for hire from the city of origination to the city
9 of final destination on the same aircraft, without regard
10 to a change in the flight number of that aircraft.

11 (23) A transaction in which the purchase order is
12 received by a florist who is located outside Illinois, but
13 who has a florist located in Illinois deliver the property
14 to the purchaser or the purchaser's donee in Illinois.

15 (24) Fuel consumed or used in the operation of ships,
16 barges, or vessels that are used primarily in or for the
17 transportation of property or the conveyance of persons
18 for hire on rivers bordering on this State if the fuel is
19 delivered by the seller to the purchaser's barge, ship, or
20 vessel while it is afloat upon that bordering river.

21 (25) Except as provided in items (25-5) and (25-6) of
22 this Section, a motor vehicle sold in this State to a
23 nonresident even though the motor vehicle is delivered to
24 the nonresident in this State, if the motor vehicle is not
25 to be titled in this State, and if a drive-away permit is
26 issued to the motor vehicle as provided in Section 3-603

1 of the Illinois Vehicle Code or if the nonresident
2 purchaser has vehicle registration plates to transfer to
3 the motor vehicle upon returning to his or her home state.
4 The issuance of the drive-away permit or having the
5 out-of-state registration plates to be transferred is
6 prima facie evidence that the motor vehicle will not be
7 titled in this State.

8 (25-5) The exemption under item (25) does not apply if
9 the state in which the motor vehicle will be titled does
10 not allow a reciprocal exemption for a motor vehicle sold
11 and delivered in that state to an Illinois resident but
12 titled in Illinois. The tax collected under this Act on
13 the sale of a motor vehicle in this State to a resident of
14 another state that does not allow a reciprocal exemption
15 shall be imposed at a rate equal to the state's rate of tax
16 on taxable property in the state in which the purchaser is
17 a resident, except that the tax shall not exceed the tax
18 that would otherwise be imposed under this Act. At the
19 time of the sale, the purchaser shall execute a statement,
20 signed under penalty of perjury, of his or her intent to
21 title the vehicle in the state in which the purchaser is a
22 resident within 30 days after the sale and of the fact of
23 the payment to the State of Illinois of tax in an amount
24 equivalent to the state's rate of tax on taxable property
25 in his or her state of residence and shall submit the
26 statement to the appropriate tax collection agency in his

1 or her state of residence. In addition, the retailer must
2 retain a signed copy of the statement in his or her
3 records. Nothing in this item shall be construed to
4 require the removal of the vehicle from this state
5 following the filing of an intent to title the vehicle in
6 the purchaser's state of residence if the purchaser titles
7 the vehicle in his or her state of residence within 30 days
8 after the date of sale. The tax collected under this Act in
9 accordance with this item (25-5) shall be proportionately
10 distributed as if the tax were collected at the 6.25%
11 general rate imposed under this Act.

12 (25-6) There is a rebuttable presumption that the
13 exemption under item (25) does not apply if the purchaser
14 is a limited liability company and a member of the limited
15 liability company is a resident of Illinois. This
16 presumption may be rebutted by other evidence, such as
17 evidence the motor vehicle is insured at a garaging or
18 storage address outside Illinois or other evidence of the
19 physical address at which the motor vehicle will be
20 permanently stored or garaged outside Illinois.

21 (25-7) Beginning on July 1, 2007, no tax is imposed
22 under this Act on the sale of an aircraft, as defined in
23 Section 3 of the Illinois Aeronautics Act, if all of the
24 following conditions are met:

25 (1) the aircraft leaves this State within 15 days
26 after the later of either the issuance of the final

1 billing for the sale of the aircraft, or the
2 authorized approval for return to service, completion
3 of the maintenance record entry, and completion of the
4 test flight and ground test for inspection, as
5 required by 14 CFR 91.407;

6 (2) the aircraft is not based or registered in
7 this State after the sale of the aircraft; and

8 (3) the seller retains in his or her books and
9 records and provides to the Department a signed and
10 dated certification from the purchaser, on a form
11 prescribed by the Department, certifying that the
12 requirements of this item (25-7) are met. The
13 certificate must also include the name and address of
14 the purchaser, the address of the location where the
15 aircraft is to be titled or registered, the address of
16 the primary physical location of the aircraft, and
17 other information that the Department may reasonably
18 require.

19 For purposes of this item (25-7):

20 "Based in this State" means hangared, stored, or
21 otherwise used, excluding post-sale customizations as
22 defined in this Section, for 10 or more days in each
23 12-month period immediately following the date of the sale
24 of the aircraft.

25 "Registered in this State" means an aircraft
26 registered with the Department of Transportation,

1 Aeronautics Division, or titled or registered with the
2 Federal Aviation Administration to an address located in
3 this State.

4 This paragraph (25-7) is exempt from the provisions of
5 Section 2-70.

6 (26) Semen used for artificial insemination of
7 livestock for direct agricultural production.

8 (27) Horses, or interests in horses, registered with
9 and meeting the requirements of any of the Arabian Horse
10 Club Registry of America, Appaloosa Horse Club, American
11 Quarter Horse Association, United States Trotting
12 Association, or Jockey Club, as appropriate, used for
13 purposes of breeding or racing for prizes. This item (27)
14 is exempt from the provisions of Section 2-70, and the
15 exemption provided for under this item (27) applies for
16 all periods beginning May 30, 1995, but no claim for
17 credit or refund is allowed on or after January 1, 2008
18 (the effective date of Public Act 95-88) for such taxes
19 paid during the period beginning May 30, 2000 and ending
20 on January 1, 2008 (the effective date of Public Act
21 95-88).

22 (28) Computers and communications equipment utilized
23 for any hospital purpose and equipment used in the
24 diagnosis, analysis, or treatment of hospital patients
25 sold to a lessor who leases the equipment, under a lease of
26 one year or longer executed or in effect at the time of the

1 purchase, to a hospital that has been issued an active tax
2 exemption identification number by the Department under
3 Section 1g of this Act.

4 (29) Personal property sold to a lessor who leases the
5 property, under a lease of one year or longer executed or
6 in effect at the time of the purchase, to a governmental
7 body that has been issued an active tax exemption
8 identification number by the Department under Section 1g
9 of this Act.

10 (30) Beginning with taxable years ending on or after
11 December 31, 1995 and ending with taxable years ending on
12 or before December 31, 2004, personal property that is
13 donated for disaster relief to be used in a State or
14 federally declared disaster area in Illinois or bordering
15 Illinois by a manufacturer or retailer that is registered
16 in this State to a corporation, society, association,
17 foundation, or institution that has been issued a sales
18 tax exemption identification number by the Department that
19 assists victims of the disaster who reside within the
20 declared disaster area.

21 (31) Beginning with taxable years ending on or after
22 December 31, 1995 and ending with taxable years ending on
23 or before December 31, 2004, personal property that is
24 used in the performance of infrastructure repairs in this
25 State, including, but not limited to, municipal roads and
26 streets, access roads, bridges, sidewalks, waste disposal

1 systems, water and sewer line extensions, water
2 distribution and purification facilities, storm water
3 drainage and retention facilities, and sewage treatment
4 facilities, resulting from a State or federally declared
5 disaster in Illinois or bordering Illinois when such
6 repairs are initiated on facilities located in the
7 declared disaster area within 6 months after the disaster.

8 (32) Beginning July 1, 1999, game or game birds sold
9 at a "game breeding and hunting preserve area" as that
10 term is used in the Wildlife Code. This paragraph is
11 exempt from the provisions of Section 2-70.

12 (33) A motor vehicle, as that term is defined in
13 Section 1-146 of the Illinois Vehicle Code, that is
14 donated to a corporation, limited liability company,
15 society, association, foundation, or institution that is
16 determined by the Department to be organized and operated
17 exclusively for educational purposes. For purposes of this
18 exemption, "a corporation, limited liability company,
19 society, association, foundation, or institution organized
20 and operated exclusively for educational purposes" means
21 all tax-supported public schools, private schools that
22 offer systematic instruction in useful branches of
23 learning by methods common to public schools and that
24 compare favorably in their scope and intensity with the
25 course of study presented in tax-supported schools, and
26 vocational or technical schools or institutes organized

1 and operated exclusively to provide a course of study of
2 not less than 6 weeks duration and designed to prepare
3 individuals to follow a trade or to pursue a manual,
4 technical, mechanical, industrial, business, or commercial
5 occupation.

6 (34) Beginning January 1, 2000, personal property,
7 including food, purchased through fundraising events for
8 the benefit of a public or private elementary or secondary
9 school, a group of those schools, or one or more school
10 districts if the events are sponsored by an entity
11 recognized by the school district that consists primarily
12 of volunteers and includes parents and teachers of the
13 school children. This paragraph does not apply to
14 fundraising events (i) for the benefit of private home
15 instruction or (ii) for which the fundraising entity
16 purchases the personal property sold at the events from
17 another individual or entity that sold the property for
18 the purpose of resale by the fundraising entity and that
19 profits from the sale to the fundraising entity. This
20 paragraph is exempt from the provisions of Section 2-70.

21 (35) Beginning January 1, 2000 and through December
22 31, 2001, new or used automatic vending machines that
23 prepare and serve hot food and beverages, including
24 coffee, soup, and other items, and replacement parts for
25 these machines. Beginning January 1, 2002 and through June
26 30, 2003, machines and parts for machines used in

1 commercial, coin-operated amusement and vending business
2 if a use or occupation tax is paid on the gross receipts
3 derived from the use of the commercial, coin-operated
4 amusement and vending machines. This paragraph is exempt
5 from the provisions of Section 2-70.

6 (35-5) Beginning August 23, 2001 and through June 30,
7 2016, food for human consumption that is to be consumed
8 off the premises where it is sold (other than alcoholic
9 beverages, soft drinks, and food that has been prepared
10 for immediate consumption) and prescription and
11 nonprescription medicines, drugs, medical appliances, and
12 insulin, urine testing materials, syringes, and needles
13 used by diabetics, for human use, when purchased for use
14 by a person receiving medical assistance under Article V
15 of the Illinois Public Aid Code who resides in a licensed
16 long-term care facility, as defined in the Nursing Home
17 Care Act, or a licensed facility as defined in the ID/DD
18 Community Care Act, the MC/DD Act, or the Specialized
19 Mental Health Rehabilitation Act of 2013.

20 (36) Beginning August 2, 2001, computers and
21 communications equipment utilized for any hospital purpose
22 and equipment used in the diagnosis, analysis, or
23 treatment of hospital patients sold to a lessor who leases
24 the equipment, under a lease of one year or longer
25 executed or in effect at the time of the purchase, to a
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g
2 of this Act. This paragraph is exempt from the provisions
3 of Section 2-70.

4 (37) Beginning August 2, 2001, personal property sold
5 to a lessor who leases the property, under a lease of one
6 year or longer executed or in effect at the time of the
7 purchase, to a governmental body that has been issued an
8 active tax exemption identification number by the
9 Department under Section 1g of this Act. This paragraph is
10 exempt from the provisions of Section 2-70.

11 (38) Beginning on January 1, 2002 and through June 30,
12 2016, tangible personal property purchased from an
13 Illinois retailer by a taxpayer engaged in centralized
14 purchasing activities in Illinois who will, upon receipt
15 of the property in Illinois, temporarily store the
16 property in Illinois (i) for the purpose of subsequently
17 transporting it outside this State for use or consumption
18 thereafter solely outside this State or (ii) for the
19 purpose of being processed, fabricated, or manufactured
20 into, attached to, or incorporated into other tangible
21 personal property to be transported outside this State and
22 thereafter used or consumed solely outside this State. The
23 Director of Revenue shall, pursuant to rules adopted in
24 accordance with the Illinois Administrative Procedure Act,
25 issue a permit to any taxpayer in good standing with the
26 Department who is eligible for the exemption under this

1 paragraph (38). The permit issued under this paragraph
2 (38) shall authorize the holder, to the extent and in the
3 manner specified in the rules adopted under this Act, to
4 purchase tangible personal property from a retailer exempt
5 from the taxes imposed by this Act. Taxpayers shall
6 maintain all necessary books and records to substantiate
7 the use and consumption of all such tangible personal
8 property outside of the State of Illinois.

9 (39) Beginning January 1, 2008, tangible personal
10 property used in the construction or maintenance of a
11 community water supply, as defined under Section 3.145 of
12 the Environmental Protection Act, that is operated by a
13 not-for-profit corporation that holds a valid water supply
14 permit issued under Title IV of the Environmental
15 Protection Act. This paragraph is exempt from the
16 provisions of Section 2-70.

17 (40) Beginning January 1, 2010 and continuing through
18 December 31, 2029, materials, parts, equipment,
19 components, and furnishings incorporated into or upon an
20 aircraft as part of the modification, refurbishment,
21 completion, replacement, repair, or maintenance of the
22 aircraft. This exemption includes consumable supplies used
23 in the modification, refurbishment, completion,
24 replacement, repair, and maintenance of aircraft. However,
25 until January 1, 2024, this exemption excludes any
26 materials, parts, equipment, components, and consumable

1 supplies used in the modification, replacement, repair,
2 and maintenance of aircraft engines or power plants,
3 whether such engines or power plants are installed or
4 uninstalled upon any such aircraft. "Consumable supplies"
5 include, but are not limited to, adhesive, tape,
6 sandpaper, general purpose lubricants, cleaning solution,
7 latex gloves, and protective films.

8 Beginning January 1, 2010 and continuing through
9 December 31, 2023, this exemption applies only to the sale
10 of qualifying tangible personal property to persons who
11 modify, refurbish, complete, replace, or maintain an
12 aircraft and who (i) hold an Air Agency Certificate and
13 are empowered to operate an approved repair station by the
14 Federal Aviation Administration, (ii) have a Class IV
15 Rating, and (iii) conduct operations in accordance with
16 Part 145 of the Federal Aviation Regulations. The
17 exemption does not include aircraft operated by a
18 commercial air carrier providing scheduled passenger air
19 service pursuant to authority issued under Part 121 or
20 Part 129 of the Federal Aviation Regulations. From January
21 1, 2024 through December 31, 2029, this exemption applies
22 only to the sale of qualifying tangible personal property
23 to: (A) persons who modify, refurbish, complete, repair,
24 replace, or maintain aircraft and who (i) hold an Air
25 Agency Certificate and are empowered to operate an
26 approved repair station by the Federal Aviation

1 Administration, (ii) have a Class IV Rating, and (iii)
2 conduct operations in accordance with Part 145 of the
3 Federal Aviation Regulations; and (B) persons who engage
4 in the modification, replacement, repair, and maintenance
5 of aircraft engines or power plants without regard to
6 whether or not those persons meet the qualifications of
7 item (A).

8 The changes made to this paragraph (40) by Public Act
9 98-534 are declarative of existing law. It is the intent
10 of the General Assembly that the exemption under this
11 paragraph (40) applies continuously from January 1, 2010
12 through December 31, 2024; however, no claim for credit or
13 refund is allowed for taxes paid as a result of the
14 disallowance of this exemption on or after January 1, 2015
15 and prior to February 5, 2020 (the effective date of
16 Public Act 101-629).

17 (41) Tangible personal property sold to a
18 public-facilities corporation, as described in Section
19 11-65-10 of the Illinois Municipal Code, for purposes of
20 constructing or furnishing a municipal convention hall,
21 but only if the legal title to the municipal convention
22 hall is transferred to the municipality without any
23 further consideration by or on behalf of the municipality
24 at the time of the completion of the municipal convention
25 hall or upon the retirement or redemption of any bonds or
26 other debt instruments issued by the public-facilities

1 corporation in connection with the development of the
2 municipal convention hall. This exemption includes
3 existing public-facilities corporations as provided in
4 Section 11-65-25 of the Illinois Municipal Code. This
5 paragraph is exempt from the provisions of Section 2-70.

6 (42) Beginning January 1, 2017 and through December
7 31, 2026, menstrual pads, tampons, and menstrual cups.

8 (43) Merchandise that is subject to the Rental
9 Purchase Agreement Occupation and Use Tax. The purchaser
10 must certify that the item is purchased to be rented
11 subject to a rental-purchase agreement, as defined in the
12 Rental-Purchase Agreement Act, and provide proof of
13 registration under the Rental Purchase Agreement
14 Occupation and Use Tax Act. This paragraph is exempt from
15 the provisions of Section 2-70.

16 (44) Qualified tangible personal property used in the
17 construction or operation of a data center that has been
18 granted a certificate of exemption by the Department of
19 Commerce and Economic Opportunity, whether that tangible
20 personal property is purchased by the owner, operator, or
21 tenant of the data center or by a contractor or
22 subcontractor of the owner, operator, or tenant. Data
23 centers that would have qualified for a certificate of
24 exemption prior to January 1, 2020 had Public Act 101-31
25 been in effect, may apply for and obtain an exemption for
26 subsequent purchases of computer equipment or enabling

1 software purchased or leased to upgrade, supplement, or
2 replace computer equipment or enabling software purchased
3 or leased in the original investment that would have
4 qualified.

5 The Department of Commerce and Economic Opportunity
6 shall grant a certificate of exemption under this item
7 (44) to qualified data centers as defined by Section
8 605-1025 of the Department of Commerce and Economic
9 Opportunity Law of the Civil Administrative Code of
10 Illinois.

11 For the purposes of this item (44):

12 "Data center" means a building or a series of
13 buildings rehabilitated or constructed to house
14 working servers in one physical location or multiple
15 sites within the State of Illinois.

16 "Qualified tangible personal property" means:
17 electrical systems and equipment; climate control and
18 chilling equipment and systems; mechanical systems and
19 equipment; monitoring and secure systems; emergency
20 generators; hardware; computers; servers; data storage
21 devices; network connectivity equipment; racks;
22 cabinets; telecommunications cabling infrastructure;
23 raised floor systems; peripheral components or
24 systems; software; mechanical, electrical, or plumbing
25 systems; battery systems; cooling systems and towers;
26 temperature control systems; other cabling; and other

1 data center infrastructure equipment and systems
2 necessary to operate qualified tangible personal
3 property, including fixtures; and component parts of
4 any of the foregoing, including installation,
5 maintenance, repair, refurbishment, and replacement of
6 qualified tangible personal property to generate,
7 transform, transmit, distribute, or manage electricity
8 necessary to operate qualified tangible personal
9 property; and all other tangible personal property
10 that is essential to the operations of a computer data
11 center. The term "qualified tangible personal
12 property" also includes building materials physically
13 incorporated into the qualifying data center. To
14 document the exemption allowed under this Section, the
15 retailer must obtain from the purchaser a copy of the
16 certificate of eligibility issued by the Department of
17 Commerce and Economic Opportunity.

18 This item (44) is exempt from the provisions of
19 Section 2-70.

20 (45) Beginning January 1, 2020 and through December
21 31, 2020, sales of tangible personal property made by a
22 marketplace seller over a marketplace for which tax is due
23 under this Act but for which use tax has been collected and
24 remitted to the Department by a marketplace facilitator
25 under Section 2d of the Use Tax Act are exempt from tax
26 under this Act. A marketplace seller claiming this

1 exemption shall maintain books and records demonstrating
2 that the use tax on such sales has been collected and
3 remitted by a marketplace facilitator. Marketplace sellers
4 that have properly remitted tax under this Act on such
5 sales may file a claim for credit as provided in Section 6
6 of this Act. No claim is allowed, however, for such taxes
7 for which a credit or refund has been issued to the
8 marketplace facilitator under the Use Tax Act, or for
9 which the marketplace facilitator has filed a claim for
10 credit or refund under the Use Tax Act.

11 (46) Beginning July 1, 2022, breast pumps, breast pump
12 collection and storage supplies, and breast pump kits.
13 This item (46) is exempt from the provisions of Section
14 2-70. As used in this item (46):

15 "Breast pump" means an electrically controlled or
16 manually controlled pump device designed or marketed to be
17 used to express milk from a human breast during lactation,
18 including the pump device and any battery, AC adapter, or
19 other power supply unit that is used to power the pump
20 device and is packaged and sold with the pump device at the
21 time of sale.

22 "Breast pump collection and storage supplies" means
23 items of tangible personal property designed or marketed
24 to be used in conjunction with a breast pump to collect
25 milk expressed from a human breast and to store collected
26 milk until it is ready for consumption.

1 "Breast pump collection and storage supplies"
2 includes, but is not limited to: breast shields and breast
3 shield connectors; breast pump tubes and tubing adapters;
4 breast pump valves and membranes; backflow protectors and
5 backflow protector adaptors; bottles and bottle caps
6 specific to the operation of the breast pump; and breast
7 milk storage bags.

8 "Breast pump collection and storage supplies" does not
9 include: (1) bottles and bottle caps not specific to the
10 operation of the breast pump; (2) breast pump travel bags
11 and other similar carrying accessories, including ice
12 packs, labels, and other similar products; (3) breast pump
13 cleaning supplies; (4) nursing bras, bra pads, breast
14 shells, and other similar products; and (5) creams,
15 ointments, and other similar products that relieve
16 breastfeeding-related symptoms or conditions of the
17 breasts or nipples, unless sold as part of a breast pump
18 kit that is pre-packaged by the breast pump manufacturer
19 or distributor.

20 "Breast pump kit" means a kit that: (1) contains no
21 more than a breast pump, breast pump collection and
22 storage supplies, a rechargeable battery for operating the
23 breast pump, a breastmilk cooler, bottle stands, ice
24 packs, and a breast pump carrying case; and (2) is
25 pre-packaged as a breast pump kit by the breast pump
26 manufacturer or distributor.

1 (47) Tangible personal property sold by or on behalf
2 of the State Treasurer pursuant to the Revised Uniform
3 Unclaimed Property Act. This item (47) is exempt from the
4 provisions of Section 2-70.

5 (48) Beginning on January 1, 2024, tangible personal
6 property purchased by an active duty member of the armed
7 forces of the United States who presents valid military
8 identification and purchases the property using a form of
9 payment where the federal government is the payor. The
10 member of the armed forces must complete, at the point of
11 sale, a form prescribed by the Department of Revenue
12 documenting that the transaction is eligible for the
13 exemption under this paragraph. Retailers must keep the
14 form as documentation of the exemption in their records
15 for a period of not less than 6 years. "Armed forces of the
16 United States" means the United States Army, Navy, Air
17 Force, Space Force, Marine Corps, or Coast Guard. This
18 paragraph is exempt from the provisions of Section 2-70.

19 (49) Beginning July 1, 2024, home-delivered meals
20 provided to Medicare or Medicaid recipients when payment
21 is made by an intermediary, such as a Medicare
22 Administrative Contractor, a Managed Care Organization, or
23 a Medicare Advantage Organization, pursuant to a
24 government contract. This paragraph (49) is exempt from
25 the provisions of Section 2-70.

26 (50) Beginning on January 1, 2026, as further defined

1 in Section 2-10, food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic liquor taxable under Section 8-1 of the Liquor
4 Control Act of 1934 ~~beverages~~, food consisting of or
5 infused with adult use cannabis, soft drinks, candy, and
6 food that has been prepared for immediate consumption).
7 This item (50) is exempt from the provisions of Section
8 2-70.

9 (51) Gross receipts from the lease of the following
10 tangible personal property:

11 (1) computer software transferred subject to a
12 license that meets the following requirements:

13 (A) it is evidenced by a written agreement
14 signed by the licensor and the customer;

15 (i) an electronic agreement in which the
16 customer accepts the license by means of an
17 electronic signature that is verifiable and
18 can be authenticated and is attached to or
19 made part of the license will comply with this
20 requirement;

21 (ii) a license agreement in which the
22 customer electronically accepts the terms by
23 clicking "I agree" does not comply with this
24 requirement;

25 (B) it restricts the customer's duplication
26 and use of the software;

1 (C) it prohibits the customer from licensing,
2 sublicensing, or transferring the software to a
3 third party (except to a related party) without
4 the permission and continued control of the
5 licensor;

6 (D) the licensor has a policy of providing
7 another copy at minimal or no charge if the
8 customer loses or damages the software, or of
9 permitting the licensee to make and keep an
10 archival copy, and such policy is either stated in
11 the license agreement, supported by the licensor's
12 books and records, or supported by a notarized
13 statement made under penalties of perjury by the
14 licensor; and

15 (E) the customer must destroy or return all
16 copies of the software to the licensor at the end
17 of the license period; this provision is deemed to
18 be met, in the case of a perpetual license,
19 without being set forth in the license agreement;
20 and

21 (2) property that is subject to a tax on lease
22 receipts imposed by a home rule unit of local
23 government if the ordinance imposing that tax was
24 adopted prior to January 1, 2023.

25 (Source: P.A. 103-9, Article 5, Section 5-20, eff. 6-7-23;
26 103-9, Article 15, Section 15-20, eff. 6-7-23; 103-154, eff.

1 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,
2 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;
3 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-6, eff.
4 6-16-25; 104-417, eff. 8-15-25.)

5 (35 ILCS 120/2-10) from Ch. 120, par. 441-10

6 Sec. 2-10. Rate of tax. Unless otherwise provided in this
7 Section, the tax imposed by this Act is at the rate of 6.25% of
8 gross receipts from sales, which, on and after January 1,
9 2025, includes leases, of tangible personal property made in
10 the course of business.

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

15 Beginning on August 6, 2010 through August 15, 2010, and
16 beginning again on August 5, 2022 through August 14, 2022,
17 with respect to sales tax holiday items as defined in Section
18 2-8 of this Act, the tax is imposed at the rate of 1.25%.

19 Within 14 days after July 1, 2000 (the effective date of
20 Public Act 91-872), each retailer of motor fuel and gasohol
21 shall cause the following notice to be posted in a prominently
22 visible place on each retail dispensing device that is used to
23 dispense motor fuel or gasohol in the State of Illinois: "As of
24 July 1, 2000, the State of Illinois has eliminated the State's
25 share of sales tax on motor fuel and gasohol through December

1 31, 2000. The price on this pump should reflect the
2 elimination of the tax." The notice shall be printed in bold
3 print on a sign that is no smaller than 4 inches by 8 inches.
4 The sign shall be clearly visible to customers. Any retailer
5 who fails to post or maintain a required sign through December
6 31, 2000 is guilty of a petty offense for which the fine shall
7 be \$500 per day per each retail premises where a violation
8 occurs.

9 With respect to gasohol, as defined in the Use Tax Act, the
10 tax imposed by this Act applies to (i) 70% of the proceeds of
11 sales made on or after January 1, 1990, and before July 1,
12 2003, (ii) 80% of the proceeds of sales made on or after July
13 1, 2003 and on or before July 1, 2017, (iii) 100% of the
14 proceeds of sales made after July 1, 2017 and prior to January
15 1, 2024, (iv) 90% of the proceeds of sales made on or after
16 January 1, 2024 and on or before December 31, 2028, and (v)
17 100% of the proceeds of sales made after December 31, 2028. If,
18 at any time, however, the tax under this Act on sales of
19 gasohol, as defined in the Use Tax Act, is imposed at the rate
20 of 1.25%, then the tax imposed by this Act applies to 100% of
21 the proceeds of sales of gasohol made during that time.

22 With respect to mid-range ethanol blends, as defined in
23 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
24 applies to (i) 80% of the proceeds of sales made on or after
25 January 1, 2024 and on or before December 31, 2028 and (ii)
26 100% of the proceeds of sales made after December 31, 2028. If,

1 at any time, however, the tax under this Act on sales of
2 mid-range ethanol blends is imposed at the rate of 1.25%, then
3 the tax imposed by this Act applies to 100% of the proceeds of
4 sales of mid-range ethanol blends made during that time.

5 With respect to majority blended ethanol fuel, as defined
6 in the Use Tax Act, the tax imposed by this Act does not apply
7 to the proceeds of sales made on or after July 1, 2003 and on
8 or before December 31, 2028 but applies to 100% of the proceeds
9 of sales made thereafter.

10 With respect to biodiesel blends, as defined in the Use
11 Tax Act, with no less than 1% and no more than 10% biodiesel,
12 the tax imposed by this Act applies to (i) 80% of the proceeds
13 of sales made on or after July 1, 2003 and on or before
14 December 31, 2018 and (ii) 100% of the proceeds of sales made
15 after December 31, 2018 and before January 1, 2024. On and
16 after January 1, 2024 and on or before December 31, 2030, the
17 taxation of biodiesel, renewable diesel, and biodiesel blends
18 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
19 at any time, however, the tax under this Act on sales of
20 biodiesel blends, as defined in the Use Tax Act, with no less
21 than 1% and no more than 10% biodiesel is imposed at the rate
22 of 1.25%, then the tax imposed by this Act applies to 100% of
23 the proceeds of sales of biodiesel blends with no less than 1%
24 and no more than 10% biodiesel made during that time.

25 With respect to biodiesel, as defined in the Use Tax Act,
26 and biodiesel blends, as defined in the Use Tax Act, with more

1 than 10% but no more than 99% biodiesel, the tax imposed by
2 this Act does not apply to the proceeds of sales made on or
3 after July 1, 2003 and on or before December 31, 2023. On and
4 after January 1, 2024 and on or before December 31, 2030, the
5 taxation of biodiesel, renewable diesel, and biodiesel blends
6 shall be as provided in Section 3-5.1 of the Use Tax Act.

7 Until July 1, 2022 and from July 1, 2023 through December
8 31, 2025, with respect to food for human consumption that is to
9 be consumed off the premises where it is sold (other than
10 alcoholic beverages, food consisting of or infused with adult
11 use cannabis, soft drinks, and food that has been prepared for
12 immediate consumption), the tax is imposed at the rate of 1%.
13 Beginning July 1, 2022 and until July 1, 2023, with respect to
14 food for human consumption that is to be consumed off the
15 premises where it is sold (other than alcoholic beverages,
16 food consisting of or infused with adult use cannabis, soft
17 drinks, and food that has been prepared for immediate
18 consumption), the tax is imposed at the rate of 0%. On and
19 after January 1, 2026, food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic liquor taxable under Section 8-1 of the Liquor
22 Control Act of 1934 ~~beverages~~, food consisting of or infused
23 with adult use cannabis, soft drinks, candy, and food that has
24 been prepared for immediate consumption) is exempt from the
25 tax imposed by this Act.

26 With respect to prescription and nonprescription

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

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

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

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

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "nonprescription medicines and
24 drugs" does not include grooming and hygiene products. For
25 purposes of this Section, "grooming and hygiene products"
26 includes, but is not limited to, soaps and cleaning solutions,

1 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
2 lotions and screens, unless those products are available by
3 prescription only, regardless of whether the products meet the
4 definition of "over-the-counter-drugs". For the purposes of
5 this paragraph, "over-the-counter-drug" means a drug for human
6 use that contains a label that identifies the product as a drug
7 as required by 21 CFR 201.66. The "over-the-counter-drug"
8 label includes:

9 (A) a "Drug Facts" panel; or

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

13 Beginning on January 1, 2014 (the effective date of Public
14 Act 98-122), "prescription and nonprescription medicines and
15 drugs" includes medical cannabis purchased from a registered
16 dispensing organization under the Compassionate Use of Medical
17 Cannabis Program Act.

18 As used in this Section, "adult use cannabis" means
19 cannabis subject to tax under the Cannabis Cultivation
20 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
21 and does not include cannabis subject to tax under the
22 Compassionate Use of Medical Cannabis Program Act.

23 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
24 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
25 8-15-25.)

1 (35 ILCS 120/2-13)

2 Sec. 2-13. Remote Retailer Amnesty Program.

3 (a) As used in this Section:

4 "Eligibility period" means the period from January 1, 2021
5 through June 30, 2026.

6 "Eligible transaction" means the sale of tangible personal
7 property by a remote retailer to an Illinois customer that
8 occurs during the eligibility period and that requires the
9 remote retailer to ship or otherwise deliver the tangible
10 personal property to an address in the State.

11 "Local retailers' occupation tax" means a retailers'
12 occupation tax imposed by a municipality, county, or other
13 unit of local government and administered by the Department.

14 "Program" means the Remote Retailer Amnesty Program
15 established under this Section.

16 "Remote retailer" means a remote retailer, as defined in
17 Section 1 of this Act, who has met a tax remittance threshold
18 under subsection (b) of Section 2 of this Act for all or part
19 of the eligibility period and who is participating in the
20 Program established under this Section.

21 "Remote retailer amnesty period" means the period from
22 August 1, 2026 through October 31, 2026, during which the
23 Department will accept returns and payment of State and local
24 retailers' occupation taxes at the simplified retailers'
25 occupation tax rate for eligible transactions that occur
26 during the eligibility period.

1 "Simplified retailers' occupation tax rate" means the
2 combined State and average local retailers' occupation tax
3 rate imposed on remote retailers participating in the Program.
4 The simplified retailers' occupation tax rate shall be (i) 9%
5 of the gross receipts from sales of tangible personal property
6 that are subject to the 6.25% State rate of tax imposed by
7 Section 2-10 of this Act or (ii) 1.75% of the gross receipts
8 from sales of (A) tangible personal property that is subject
9 to the 1% State rate of tax imposed by Section 2-10 of this Act
10 and (B) food for human consumption that is to be consumed off
11 the premises where it is sold (other than alcoholic liquor
12 taxable under Section 8-1 of the Liquor Control Act of 1934
13 ~~beverages~~, food consisting of or infused with adult use
14 cannabis, soft drinks, and food that has been prepared for
15 immediate consumption), regardless of the applicable rate of
16 tax.

17 "Taxing jurisdiction" means a municipality, county, or
18 other unit of local government that imposes a local retailers'
19 occupation tax.

20 (b) The Department shall establish a Remote Retailer
21 Amnesty Program for remote retailers that owe State or local
22 retailers' occupation taxes on eligible transactions. The
23 Program shall operate during the remote retailer amnesty
24 period.

25 The Program shall allow a remote retailer who participates
26 in the Program to report and remit, at the simplified

1 retailers' occupation tax rate, State and local retailers'
2 occupation taxes that are due in connection with eligible
3 transactions. The payment shall be made by the remote retailer
4 during the remote retailer amnesty period and shall be in lieu
5 of reporting and remitting State and local retailers'
6 occupation taxes at the rate otherwise provided by law. The
7 payment of the tax at the simplified retailers' occupation tax
8 rate relieves the remote retailer of any additional State or
9 local retailers' occupation taxes with respect to the eligible
10 transaction.

11 The Program shall provide that, if the remote retailer
12 satisfies its State and local retailers' occupation tax
13 liability during the remote retailer amnesty period by
14 reporting and remitting payment to the Department at the
15 simplified retailers' occupation tax rate, the Department
16 shall abate and not seek to collect any interest or penalties
17 that may be applicable with respect to those eligible
18 transactions, and the Department shall not seek civil or
19 criminal prosecution of the remote retailer for the period of
20 time for which amnesty has been granted to the retailer. The
21 remote retailer must make full payment of all State and local
22 retailers' occupation taxes due with respect to the remote
23 retailer's eligible transactions, using the simplified
24 retailers' occupation tax rate, during the remote retailer
25 amnesty period for amnesty to be granted, unless the remote
26 retailer enters into an approved repayment plan with the

1 Department during the remote retailer amnesty period. In that
2 case, amnesty shall be granted upon successful completion of
3 the repayment plan as long as the taxpayer remains in
4 compliance with the terms of the payment plan throughout its
5 duration. Failure to pay all taxes due using the simplified
6 retailers' occupation tax rate for the eligible period, unless
7 tax has previously been remitted using the applicable State
8 and local retailers' occupation tax rates, shall invalidate
9 any amnesty granted under this Act, and all retailers'
10 occupation tax due for the eligible period shall be due at the
11 applicable State and local rate for the particular selling
12 location.

13 (c) Amnesty shall be granted only if all amnesty
14 conditions are satisfied by the taxpayer. The amnesty provided
15 by this Section shall be granted to any remote retailer who,
16 during the remote retailer amnesty period, files all returns
17 and remits all State and local retailers' occupation tax on
18 all eligible transactions using the simplified retailers'
19 occupation tax rate or otherwise applicable State and local
20 retailers' occupation tax rates due for all of the remote
21 retailer's eligible transactions. In addition, the following
22 requirements apply to the Program:

23 (1) to participate in the Program, the remote
24 retailers must be registered with the Department as set
25 out in Section 2a of this Act;

26 (2) returns filed under the Program shall be filed

1 electronically in the manner prescribed by the Department
2 in Section 3 of this Act and shall be filed only during the
3 remote retailer amnesty period;

4 (3) the remote retailer shall remit the tax at the
5 simplified retailers' occupation tax rate or, if the tax
6 was collected, in the amount of the tax collected,
7 whichever is greater; the required reporting for each
8 return period from the remote retailer shall include only
9 statewide totals of the retailers' occupation taxes
10 remitted at the simplified retailers' occupation tax rate
11 and shall not require information related to the location
12 of purchasers or amount of sales into a specific taxing
13 jurisdiction;

14 (4) amnesty is not available for any retailers'
15 occupation tax remitted to the Department prior to the
16 remote retailer amnesty program period by the remote
17 retailer;

18 (5) amnesty shall not be granted to taxpayers who are
19 a party to any criminal investigation or to any civil or
20 criminal litigation that is pending in any circuit court,
21 any appellate court, or the Supreme Court of this State
22 for nonpayment, delinquency, or fraud in relation to any
23 State tax imposed by any law of the State of Illinois;

24 (6) amnesty shall not be granted to taxpayers who
25 commit fraud or intentional misrepresentation of a
26 material fact in any document filed under the Remote

1 Retailer Amnesty Program; and

2 (7) amnesty is applicable only to retailers'
3 occupation taxes due from the remote retailer in his or
4 her capacity as a remote retailer and not to any other
5 taxes that may be owed by the remote retailer pursuant to
6 another tax Act.

7 (d) Except as otherwise provided in paragraph (3) of
8 subsection (c), no remote retailer shall be required to remit
9 the tax at a rate greater than 9% or 1.75%, as applicable,
10 regardless of the combined actual tax rates that may otherwise
11 be applicable. Additionally, no gross receipts for which State
12 and local retailers' occupation tax is remitted at the
13 simplified retailers' occupation tax rate shall be subject to
14 any additional retailers' occupation tax from any taxing
15 jurisdiction imposing a retailers' occupation tax with respect
16 to the sale of the property, regardless of the actual tax rate
17 that might have otherwise been applicable.

18 (e) The remote retailer shall remit the State and local
19 retailers' occupation tax at the simplified rate on all gross
20 receipts from sales of tangible personal property into
21 Illinois unless the remote retailer can produce a valid
22 exemption number or certificate, resale certificate, or direct
23 pay permit issued by the Department. The remote retailer shall
24 retain all exemption numbers or certificates, resale
25 certificates, or direct pay permits in its books and records,
26 or in such other manner as directed by the Department.

1 (f) Remote retailers shall maintain records of all
2 eligible transactions, including copies of invoices showing
3 the purchaser, the purchase amount, the taxes collected, and
4 the retailers' occupation tax remitted. Records must be kept
5 documenting all tangible personal property sold for which the
6 1.75% simplified retailers' occupation tax rate is used to
7 verify that the tangible personal property qualifies for the
8 1% State tax rate imposed under Section 2-10 of this Act. Those
9 records shall be made available for review and inspection upon
10 request by the Department. Remote retailers participating in
11 the Program remain subject to audit by the Department as
12 provided in this Act. Remote retailers participating in the
13 Program shall not be subject to audit or review by any unit of
14 local government under the Local Government Revenue Recapture
15 Act.

16 (g) The net revenue realized at the 9% rate under this
17 Section shall be deposited as follows: (i) notwithstanding the
18 provisions of Section 3 of the Retailer's Occupation Tax Act
19 to the contrary, the net revenue realized from the portion of
20 the rate in excess of 5% shall be deposited into the State and
21 Local Sales Tax Reform Fund and (ii) the net revenue realized
22 from the 5% portion of the rate shall be deposited as provided
23 in this Section 3 of the Retailers' Occupation Tax Act for the
24 5% portion of the 6.25% general rate imposed under this Act.
25 The net revenue realized at the 1.75% rate under this Section
26 shall be deposited into the State and Local Sales Tax Reform

1 Fund.

2 (h) The Department may adopt rules related to the
3 implementation, administration, and participation in the
4 Program. The Department shall have exclusive responsibility
5 for reviewing and accepting applications for participation and
6 for the administration, return processing, and review of the
7 eligibility of remote retailers participating in the Program.

8 (Source: P.A. 104-6, eff. 6-16-25.)

9 Section 70-45. The Tobacco Products Tax Act of 1995 is
10 amended by changing Section 10-45 as follows:

11 (35 ILCS 143/10-45)

12 Sec. 10-45. Incorporation by reference. All of the
13 provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~,
14 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11, 11a, and 12 of the
15 Retailers' Occupation Tax Act, and all applicable provisions
16 of the Uniform Penalty and Interest Act that are not
17 inconsistent with this Act, apply to distributors of tobacco
18 products to the same extent as if those provisions were
19 included in this Act. References in the incorporated Sections
20 of the Retailers' Occupation Tax Act to retailers, to sellers,
21 or to persons engaged in the business of selling tangible
22 personal property mean distributors when used in this Act.
23 References in the incorporated Sections to sales of tangible
24 personal property mean sales of tobacco products when used in

1 this Act.

2 All of the provisions of Sections 7, 8, 8a, 16, 18a, 18b,
3 18c, 22, 23, 24, 26, 27, and 28a of the Cigarette Tax Act which
4 are not inconsistent with this Act shall apply, as far as
5 practicable, to the subject matter of this Act to the same
6 extent as if those provisions were included in this Act.
7 References in the incorporated Sections to sales of cigarettes
8 mean sales of little cigars in packages of 20 or 25 little
9 cigars.

10 (Source: P.A. 98-273, eff. 8-9-13.)

11 Section 70-50. The Hotel Operators' Occupation Tax Act is
12 amended by changing Section 3 as follows:

13 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

14 Sec. 3. Rate; exemptions.

15 (a) A tax is imposed upon hotel operators at the rate of 5%
16 of 94% of the gross rental receipts from engaging in business
17 as a hotel operator, excluding, however, from gross rental
18 receipts, the proceeds of renting, leasing or letting hotel
19 rooms to permanent residents of a hotel and proceeds from the
20 tax imposed under subsection (c) of Section 13 of the
21 Metropolitan Pier and Exposition Authority Act.

22 (b) There shall be imposed an additional tax upon hotel
23 operators at the rate of 1% of 94% of the gross rental receipts
24 received by the hotel operator from engaging in business as a

1 hotel operator, excluding, however, from gross rental
2 receipts, the proceeds of such renting, leasing or letting to
3 permanent residents of that hotel and proceeds from the tax
4 imposed under subsection (c) of Section 13 of the Metropolitan
5 Pier and Exposition Authority Act.

6 (b-5) Beginning on July 1, 2024 and through June 30, 2026,
7 if the renting, leasing, or letting of a hotel room is done
8 through a re-renter of hotel rooms, then, subject to the
9 provisions of Sections 3-2 and 3-3, the re-renter is the hotel
10 operator for the purposes of the taxes under subsections (a)
11 and (b). If the re-renter is headquartered outside of this
12 State and has no presence in this State other than its business
13 as a re-renter, conducted remotely, then, subject to the
14 provisions of Sections 3-2 and 3-3, such re-renter is the
15 hotel operator for the purposes of the taxes under subsections
16 (a) and (b) if it meets one of the following thresholds:

17 (1) the cumulative gross receipts from rentals in
18 Illinois by the re-renter of hotel rooms are \$100,000 or
19 more; or

20 (2) the re-renter of hotel rooms cumulatively enters
21 into 200 or more separate transactions for rentals in
22 Illinois.

23 A re-renter of hotel rooms who is headquartered outside of
24 this State and has no presence in this State other than its
25 business as a re-renter, conducted remotely, shall determine
26 on a quarterly basis, ending on the last day of March, June,

1 September, and December, whether he or she meets the threshold
2 of either paragraph (1) or (2) of this subsection (b-5) for the
3 preceding 12-month period. If such re-renter of hotel rooms
4 meets the threshold of either paragraph (1) or (2) for a
5 12-month period, he or she is subject to tax under this Act and
6 is required to remit the tax imposed under this Act and file
7 returns for the 12-month period beginning on the first day of
8 the next month after he or she determines that he or she meets
9 the threshold of paragraph (1) or (2). At the end of that
10 12-month period, such re-renter of hotel rooms shall determine
11 whether he or she continued to meet the threshold of either
12 paragraph (1) or (2) during the preceding 12-month period. If
13 he or she met the threshold in either paragraph (1) or (2) for
14 the preceding 12-month period, he or she is a hotel operator in
15 this State and is required to remit the tax imposed under this
16 Act and file returns for the subsequent 12-month period. If,
17 at the end of a 12-month period during which such re-renter is
18 required to remit the tax imposed under this Act, the
19 re-renter determines that he or she did not meet the threshold
20 in either paragraph (1) or (2) during the preceding 12-month
21 period, he or she shall subsequently determine on a quarterly
22 basis, ending on the last day of March, June, September, and
23 December, whether he or she meets the threshold of either
24 paragraph (1) or (2) for the preceding 12-month period.

25 (b-40) Beginning on July 1, 2026, if the re-renter is
26 headquartered outside of this State and has no presence in

1 this State other than its business as a re-renter, conducted
2 remotely, then, subject to the provisions of Sections 3-2 and
3 3-3, that re-renter is the hotel operator for the purposes of
4 the taxes under subsections (a) and (b) if the cumulative
5 gross receipts from rentals in Illinois by the re-renter of
6 hotel rooms are \$100,000 or more.

7 A re-renter of hotel rooms who is headquartered outside of
8 this State and has no presence in this State other than its
9 business as a re-renter, conducted remotely, shall determine
10 on a quarterly basis, ending on the last day of March, June,
11 September, and December, whether it meets the threshold of
12 this subsection (b-10) for the preceding 12-month period. If
13 the re-renter of hotel rooms meets the threshold for a
14 12-month period, it is subject to tax under this Act and is
15 required to remit the tax imposed under this Act and file
16 returns for the 12-month period beginning on the first day of
17 the next month after it determines that it meets the
18 threshold. At the end of that 12-month period, the re-renter
19 of hotel rooms shall determine whether it continued to meet
20 the threshold during the preceding 12-month period. If the
21 re-renter met the threshold for the preceding 12-month period,
22 it is a hotel operator in this State and is required to remit
23 the tax imposed under this Act and file returns for the
24 subsequent 12-month period. If, at the end of a 12-month
25 period during which such re-renter is required to remit the
26 tax imposed under this Act, the re-renter determines that it

1 did not meet the threshold during the preceding 12-month
2 period, it shall subsequently determine on a quarterly basis,
3 ending on the last day of March, June, September, and
4 December, whether it meets the threshold for the preceding
5 12-month period.

6 (c) No funds received pursuant to this Act shall be used to
7 advertise for or otherwise promote new competition in the
8 hotel business.

9 (d) However, such tax is not imposed upon the privilege of
10 engaging in any business in Interstate Commerce or otherwise,
11 which business may not, under the Constitution and Statutes of
12 the United States, be made the subject of taxation by this
13 State. In addition, the tax is not imposed upon gross rental
14 receipts for which the hotel operator is prohibited from
15 obtaining reimbursement for the tax from the customer by
16 reason of a federal treaty.

17 (d-5) On and after July 1, 2017, the tax imposed by this
18 Act shall not apply to gross rental receipts received by an
19 entity that is organized and operated exclusively for
20 religious purposes and possesses an active Exemption
21 Identification Number issued by the Department pursuant to the
22 Retailers' Occupation Tax Act when acting as a hotel operator
23 renting, leasing, or letting rooms:

24 (1) in furtherance of the purposes for which it is
25 organized; or

26 (2) to entities that (i) are organized and operated

1 exclusively for religious purposes, (ii) possess an active
2 Exemption Identification Number issued by the Department
3 pursuant to the Retailers' Occupation Tax Act, and (iii)
4 rent the rooms in furtherance of the purposes for which
5 they are organized.

6 No gross rental receipts are exempt under paragraph (2) of
7 this subsection (d-5) unless the hotel operator obtains the
8 active Exemption Identification Number from the exclusively
9 religious entity to whom it is renting and maintains that
10 number in its books and records. Gross rental receipts from
11 all rentals other than those described in items (1) or (2) of
12 this subsection (d-5) are subject to the tax imposed by this
13 Act unless otherwise exempt under this Act.

14 This subsection (d-5) is exempt from the sunset provisions
15 of Section 3-5 of this Act.

16 (d-10) On and after July 1, 2023, the tax imposed by this
17 Act shall not apply to gross rental receipts received from the
18 renting, leasing, or letting of rooms to an entity that is
19 organized and operated exclusively by an organization
20 chartered by the United States Congress for the purpose of
21 providing disaster relief and that possesses an active
22 Exemption Identification Number issued by the Department
23 pursuant to the Retailers' Occupation Tax Act if the renting,
24 leasing, or letting of the rooms is in furtherance of the
25 purposes for which the exempt organization is organized. This
26 subsection (d-10) is exempt from the sunset provisions of

1 Section 3-5 of this Act.

2 (e) Persons subject to the tax imposed by this Act may
3 reimburse themselves for their tax liability under this Act by
4 separately stating such tax as an additional charge, which
5 charge may be stated in combination, in a single amount, with
6 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
7 Illinois Municipal Code, and Section 25.05-10 of "An Act to
8 revise the law in relation to counties".

9 (f) If any hotel operator collects an amount (however
10 designated) which purports to reimburse such operator for
11 hotel operators' occupation tax liability measured by receipts
12 which are not subject to hotel operators' occupation tax, or
13 if any hotel operator, in collecting an amount (however
14 designated) which purports to reimburse such operator for
15 hotel operators' occupation tax liability measured by receipts
16 which are subject to tax under this Act, collects more from the
17 guest or re-renter than the operators' hotel operators'
18 occupation tax liability in the transaction is, the guest or
19 re-renter, as applicable, shall have a legal right to claim a
20 refund of such amount from such operator. However, if such
21 amount is not refunded to the guest or re-renter, as
22 applicable, for any reason, the hotel operator is liable to
23 pay such amount to the Department.

24 (Source: P.A. 103-9, eff. 6-7-23; 103-592, eff. 7-1-24.)

25 Section 70-55. The Motor Fuel Tax Law is amended by

1 changing Section 21 as follows:

2 (35 ILCS 505/21) (from Ch. 120, par. 434a)

3 Sec. 21. The provisions of Sections 4, 5, 5a, 5b, 5c, 5d,
4 5e, 5f, 5g, ~~5h~~, 5i and 5j, 6, 6a, 6b, 6c (except to the extent
5 that the time limitations for requesting an administrative
6 hearing, the minimum notice requirement for hearings, and the
7 provisions regarding penalties and interest are inconsistent
8 with this Act), 8, 9, 10 and 12 of the Retailers' Occupation
9 Tax Act which are not inconsistent with this Act, and Section
10 3-7 of the Uniform Penalty and Interest Act, shall apply as far
11 as practicable to the subject matter of this Act to the same
12 extent as if those provisions were included in this Act.

13 (Source: P.A. 87-205; 88-480.)

14 (35 ILCS 610/Act rep.)

15 Section 70-60. The Messages Tax Act is repealed.

16 Section 70-65. The Innovation Development and Economy Act
17 is amended by changing Section 31 as follows:

18 (50 ILCS 470/31)

19 Sec. 31. STAR bond occupation taxes.

20 (a) If the corporate authorities of a political
21 subdivision have established a STAR bond district and have
22 elected to impose a tax by ordinance pursuant to subsection

1 (b) or (c) of this Section, each year after the date of the
2 adoption of the ordinance and until all STAR bond project
3 costs and all political subdivision obligations financing the
4 STAR bond project costs, if any, have been paid in accordance
5 with the STAR bond project plans, but in no event longer than
6 the maximum maturity date of the last of the STAR bonds issued
7 for projects in the STAR bond district, all amounts generated
8 by the retailers' occupation tax and service occupation tax
9 shall be collected and the tax shall be enforced by the
10 Department of Revenue in the same manner as all retailers'
11 occupation taxes and service occupation taxes imposed in the
12 political subdivision imposing the tax. The corporate
13 authorities of the political subdivision shall deposit the
14 proceeds of the taxes imposed under subsections (b) and (c)
15 into either (i) a special fund held by the corporate
16 authorities of the political subdivision called the STAR Bonds
17 Tax Allocation Fund for the purpose of paying STAR bond
18 project costs and obligations incurred in the payment of those
19 costs if such taxes are designated as pledged STAR revenues by
20 resolution or ordinance of the political subdivision or (ii)
21 the political subdivision's general corporate fund if such
22 taxes are not designated as pledged STAR revenues by
23 resolution or ordinance.

24 The tax imposed under this Section by a municipality may
25 be imposed only on the portion of a STAR bond district that is
26 within the boundaries of the municipality. For any part of a

1 STAR bond district that lies outside of the boundaries of that
2 municipality, the municipality in which the other part of the
3 STAR bond district lies (or the county, in cases where a
4 portion of the STAR bond district lies in the unincorporated
5 area of a county) is authorized to impose the tax under this
6 Section on that part of the STAR bond district.

7 (b) The corporate authorities of a political subdivision
8 that has established a STAR bond district under this Act may,
9 by ordinance or resolution, impose a STAR Bond Retailers'
10 Occupation Tax upon all persons engaged in the business of
11 selling tangible personal property, other than an item of
12 tangible personal property titled or registered with an agency
13 of this State's government, at retail in the STAR bond
14 district at a rate not to exceed 1% of the gross receipts from
15 the sales made in the course of that business, to be imposed
16 only in 0.25% increments. The tax may not be imposed on
17 tangible personal property taxed at the 1% rate under the
18 Retailers' Occupation Tax Act (or at the 0% rate imposed under
19 this amendatory Act of the 102nd General Assembly). Beginning
20 December 1, 2019 and through December 31, 2020, this tax is not
21 imposed on sales of aviation fuel unless the tax revenue is
22 expended for airport-related purposes. If the District does
23 not have an airport-related purpose to which aviation fuel tax
24 revenue is dedicated, then aviation fuel is excluded from the
25 tax. The municipality must comply with the certification
26 requirements for airport-related purposes under Section 2-22

1 of the Retailers' Occupation Tax Act. For purposes of this
2 Act, "airport-related purposes" has the meaning ascribed in
3 Section 6z-20.2 of the State Finance Act. Beginning January 1,
4 2021, this tax is not imposed on sales of aviation fuel for so
5 long as the revenue use requirements of 49 U.S.C. 47107(b) and
6 49 U.S.C. 47133 are binding on the District.

7 The tax imposed under this subsection and all civil
8 penalties that may be assessed as an incident thereof shall be
9 collected and enforced by the Department of Revenue. The
10 certificate of registration that is issued by the Department
11 to a retailer under the Retailers' Occupation Tax Act shall
12 permit the retailer to engage in a business that is taxable
13 under any ordinance or resolution enacted pursuant to this
14 subsection without registering separately with the Department
15 under such ordinance or resolution or under this subsection.
16 The Department of Revenue shall have full power to administer
17 and enforce this subsection, to collect all taxes and
18 penalties due under this subsection in the manner hereinafter
19 provided, and to determine all rights to credit memoranda
20 arising on account of the erroneous payment of tax or penalty
21 under this subsection. In the administration of, and
22 compliance with, this subsection, the Department and persons
23 who are subject to this subsection shall have the same rights,
24 remedies, privileges, immunities, powers, and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions, and definitions of terms

1 and employ the same modes of procedure, as are prescribed in
2 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
3 provisions therein other than the State rate of tax), 2c
4 through 2h, 3 (except as to the disposition of taxes and
5 penalties collected, and except that the retailer's discount
6 is not allowed for taxes paid on aviation fuel that are subject
7 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
8 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,
9 5l, 5m, 5n, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of
10 the Retailers' Occupation Tax Act and all provisions of the
11 Uniform Penalty and Interest Act, as fully as if those
12 provisions were set forth herein.

13 If a tax is imposed under this subsection (b), a tax shall
14 also be imposed under subsection (c) of this Section.

15 (c) If a tax has been imposed under subsection (b), a STAR
16 Bond Service Occupation Tax shall also be imposed upon all
17 persons engaged, in the STAR bond district, in the business of
18 making sales of service, who, as an incident to making those
19 sales of service, transfer tangible personal property within
20 the STAR bond district, either in the form of tangible
21 personal property or in the form of real estate as an incident
22 to a sale of service. The tax shall be imposed at the same rate
23 as the tax imposed in subsection (b) and shall not exceed 1% of
24 the selling price of tangible personal property so transferred
25 within the STAR bond district, to be imposed only in 0.25%
26 increments. The tax may not be imposed on tangible personal

1 property taxed at the 1% rate under the Service Occupation Tax
2 Act (or at the 0% rate imposed under this amendatory Act of the
3 102nd General Assembly). Beginning December 1, 2019 and
4 through December 31, 2020, this tax is not imposed on sales of
5 aviation fuel unless the tax revenue is expended for
6 airport-related purposes. If the District does not have an
7 airport-related purpose to which aviation fuel tax revenue is
8 dedicated, then aviation fuel is excluded from the tax. The
9 municipality must comply with the certification requirements
10 for airport-related purposes under Section 2-22 of the
11 Retailers' Occupation Tax Act. For purposes of this Act,
12 "airport-related purposes" has the meaning ascribed in Section
13 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
14 this tax is not imposed on sales of aviation fuel for so long
15 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133 are binding on the District.

17 The tax imposed under this subsection and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the Department of Revenue. The
20 certificate of registration that is issued by the Department
21 to a retailer under the Retailers' Occupation Tax Act or under
22 the Service Occupation Tax Act shall permit the registrant to
23 engage in a business that is taxable under any ordinance or
24 resolution enacted pursuant to this subsection without
25 registering separately with the Department under that
26 ordinance or resolution or under this subsection. The

1 Department of Revenue shall have full power to administer and
2 enforce this subsection, to collect all taxes and penalties
3 due under this subsection, to dispose of taxes and penalties
4 so collected in the manner hereinafter provided, and to
5 determine all rights to credit memoranda arising on account of
6 the erroneous payment of tax or penalty under this subsection.
7 In the administration of, and compliance with this subsection,
8 the Department and persons who are subject to this subsection
9 shall have the same rights, remedies, privileges, immunities,
10 powers, and duties, and be subject to the same conditions,
11 restrictions, limitations, penalties, exclusions, exemptions,
12 and definitions of terms and employ the same modes of
13 procedure as are prescribed in Sections 2, 2a through 2d, 3
14 through 3-50 (in respect to all provisions therein other than
15 the State rate of tax), 4 (except that the reference to the
16 State shall be to the STAR bond district), 5, 7, 8 (except that
17 the jurisdiction to which the tax shall be a debt to the extent
18 indicated in that Section 8 shall be the political
19 subdivision), 9 (except as to the disposition of taxes and
20 penalties collected, and except that the returned merchandise
21 credit for this tax may not be taken against any State tax, and
22 except that the retailer's discount is not allowed for taxes
23 paid on aviation fuel that are subject to the revenue use
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
25 11, 12 (except the reference therein to Section 2b of the
26 Retailers' Occupation Tax Act), 13 (except that any reference

1 to the State shall mean the political subdivision), the first
2 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of
3 the Service Occupation Tax Act and all provisions of the
4 Uniform Penalty and Interest Act, as fully as if those
5 provisions were set forth herein.

6 If a tax is imposed under this subsection (c), a tax shall
7 also be imposed under subsection (b) of this Section.

8 (c-5) If, on January 1, 2025, a unit of local government
9 has in effect a tax under this Section, or if, after January 1,
10 2025, a unit of local government imposes a tax under this
11 Section, then that tax applies to leases of tangible personal
12 property in effect, entered into, or renewed on or after that
13 date in the same manner as the tax under this Section and in
14 accordance with the changes made by this amendatory Act of the
15 103rd General Assembly.

16 (d) Persons subject to any tax imposed under this Section
17 may reimburse themselves for their seller's tax liability
18 under this Section by separately stating the tax as an
19 additional charge, which charge may be stated in combination,
20 in a single amount, with State taxes that sellers are required
21 to collect under the Use Tax Act, in accordance with such
22 bracket schedules as the Department may prescribe.

23 Whenever the Department determines that a refund should be
24 made under this Section to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified and to the person named in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund
4 or the Local Government Aviation Trust Fund, as appropriate.

5 Except as otherwise provided in this paragraph, the
6 Department shall immediately pay over to the State Treasurer,
7 ex officio, as trustee, all taxes, penalties, and interest
8 collected under this Section for deposit into the STAR Bond
9 Retailers' Occupation Tax Fund. Taxes and penalties collected
10 on aviation fuel sold on or after December 1, 2019, shall be
11 immediately paid over by the Department to the State
12 Treasurer, ex officio, as trustee, for deposit into the Local
13 Government Aviation Trust Fund. The Department shall only pay
14 moneys into the Local Government Aviation Trust Fund under
15 this Section for so long as the revenue use requirements of 49
16 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
17 District. On or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named political
20 subdivisions from the STAR Bond Retailers' Occupation Tax
21 Fund, the political subdivisions to be those from which
22 retailers have paid taxes or penalties under this Section to
23 the Department during the second preceding calendar month. The
24 amount to be paid to each political subdivision shall be the
25 amount (not including credit memoranda and not including taxes
26 and penalties collected on aviation fuel sold on or after

1 December 1, 2019) collected under this Section during the
2 second preceding calendar month by the Department plus an
3 amount the Department determines is necessary to offset any
4 amounts that were erroneously paid to a different taxing body,
5 and not including an amount equal to the amount of refunds made
6 during the second preceding calendar month by the Department,
7 less 3% of that amount, which shall be deposited into the Tax
8 Compliance and Administration Fund and shall be used by the
9 Department, subject to appropriation, to cover the costs of
10 the Department in administering and enforcing the provisions
11 of this Section, on behalf of such political subdivision, and
12 not including any amount that the Department determines is
13 necessary to offset any amounts that were payable to a
14 different taxing body but were erroneously paid to the
15 political subdivision. Within 10 days after receipt by the
16 Comptroller of the disbursement certification to the political
17 subdivisions provided for in this Section to be given to the
18 Comptroller by the Department, the Comptroller shall cause the
19 orders to be drawn for the respective amounts in accordance
20 with the directions contained in the certification. The
21 proceeds of the tax paid to political subdivisions under this
22 Section shall be deposited into either (i) the STAR Bonds Tax
23 Allocation Fund by the political subdivision if the political
24 subdivision has designated them as pledged STAR revenues by
25 resolution or ordinance or (ii) the political subdivision's
26 general corporate fund if the political subdivision has not

1 designated them as pledged STAR revenues.

2 An ordinance or resolution imposing or discontinuing the
3 tax under this Section or effecting a change in the rate
4 thereof shall either (i) be adopted and a certified copy
5 thereof filed with the Department on or before the first day of
6 April, whereupon the Department, if all other requirements of
7 this Section are met, shall proceed to administer and enforce
8 this Section as of the first day of July next following the
9 adoption and filing; or (ii) be adopted and a certified copy
10 thereof filed with the Department on or before the first day of
11 October, whereupon, if all other requirements of this Section
12 are met, the Department shall proceed to administer and
13 enforce this Section as of the first day of January next
14 following the adoption and filing.

15 The Department of Revenue shall not administer or enforce
16 an ordinance imposing, discontinuing, or changing the rate of
17 the tax under this Section until the political subdivision
18 also provides, in the manner prescribed by the Department, the
19 boundaries of the STAR bond district and each address in the
20 STAR bond district in such a way that the Department can
21 determine by its address whether a business is located in the
22 STAR bond district. The political subdivision must provide
23 this boundary and address information to the Department on or
24 before April 1 for administration and enforcement of the tax
25 under this Section by the Department beginning on the
26 following July 1 and on or before October 1 for administration

1 and enforcement of the tax under this Section by the
2 Department beginning on the following January 1. The
3 Department of Revenue shall not administer or enforce any
4 change made to the boundaries of a STAR bond district or any
5 address change, addition, or deletion until the political
6 subdivision reports the boundary change or address change,
7 addition, or deletion to the Department in the manner
8 prescribed by the Department. The political subdivision must
9 provide this boundary change or address change, addition, or
10 deletion information to the Department on or before April 1
11 for administration and enforcement by the Department of the
12 change, addition, or deletion beginning on the following July
13 1 and on or before October 1 for administration and
14 enforcement by the Department of the change, addition, or
15 deletion beginning on the following January 1. The retailers
16 in the STAR bond district shall be responsible for charging
17 the tax imposed under this Section. If a retailer is
18 incorrectly included or excluded from the list of those
19 required to collect the tax under this Section, both the
20 Department of Revenue and the retailer shall be held harmless
21 if they reasonably relied on information provided by the
22 political subdivision.

23 A political subdivision that imposes the tax under this
24 Section must submit to the Department of Revenue any other
25 information as the Department may require that is necessary
26 for the administration and enforcement of the tax.

1 When certifying the amount of a monthly disbursement to a
2 political subdivision under this Section, the Department shall
3 increase or decrease the amount by an amount necessary to
4 offset any misallocation of previous disbursements. The offset
5 amount shall be the amount erroneously disbursed within the
6 previous 6 months from the time a misallocation is discovered.

7 Nothing in this Section shall be construed to authorize
8 the political subdivision to impose a tax upon the privilege
9 of engaging in any business which under the Constitution of
10 the United States may not be made the subject of taxation by
11 this State.

12 (e) When STAR bond project costs, including, without
13 limitation, all political subdivision obligations financing
14 STAR bond project costs, have been paid, any surplus funds
15 then remaining in the STAR Bonds Tax Allocation Fund shall be
16 distributed to the treasurer of the political subdivision for
17 deposit into the political subdivision's general corporate
18 fund. Upon payment of all STAR bond project costs and
19 retirement of obligations, but in no event later than the
20 maximum maturity date of the last of the STAR bonds issued in
21 the STAR bond district, the political subdivision shall adopt
22 an ordinance immediately rescinding the taxes imposed pursuant
23 to this Section and file a certified copy of the ordinance with
24 the Department in the form and manner as described in this
25 Section.

26 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

1 Section 70-70. The Counties Code is amended by changing
2 Sections 5-1006, 5-1006.5, 5-1006.7, 5-1006.8, 5-1006.9,
3 5-1008.5, and 5-12001 as follows:

4 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

5 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
6 Law. Any county that is a home rule unit may impose a tax upon
7 all persons engaged in the business of selling tangible
8 personal property, other than an item of tangible personal
9 property titled or registered with an agency of this State's
10 government, at retail in the county on the gross receipts from
11 such sales made in the course of their business. If imposed,
12 this tax shall only be imposed in 1/4% increments. On and after
13 September 1, 1991, this additional tax may not be imposed on
14 tangible personal property taxed at the 1% rate under the
15 Retailers' Occupation Tax Act (or at the 0% rate imposed under
16 this amendatory Act of the 102nd General Assembly). Beginning
17 December 1, 2019, this tax is not imposed on sales of aviation
18 fuel unless the tax revenue is expended for airport-related
19 purposes. If the county does not have an airport-related
20 purpose to which it dedicates aviation fuel tax revenue, then
21 aviation fuel is excluded from the tax. The county must comply
22 with the certification requirements for airport-related
23 purposes under Section 2-22 of the Retailers' Occupation Tax
24 Act. For purposes of this Section, "airport-related purposes"

1 has the meaning ascribed in Section 6z-20.2 of the State
2 Finance Act. This exclusion for aviation fuel only applies for
3 so long as the revenue use requirements of 49 U.S.C. 47107(b)
4 and 49 U.S.C. 47133 are binding on the county. The changes made
5 to this Section by this amendatory Act of the 101st General
6 Assembly are a denial and limitation of home rule powers and
7 functions under subsection (g) of Section 6 of Article VII of
8 the Illinois Constitution.

9 If, on January 1, 2025, a unit of local government has in
10 effect a tax under this Section, or if, after January 1, 2025,
11 a unit of local government imposes a tax under this Section,
12 then that tax applies to leases of tangible personal property
13 in effect, entered into, or renewed on or after that date in
14 the same manner as the tax under this Section and in accordance
15 with the changes made by this amendatory Act of the 103rd
16 General Assembly.

17 The tax imposed by a home rule county pursuant to this
18 Section and all civil penalties that may be assessed as an
19 incident thereof shall be collected and enforced by the State
20 Department of Revenue. The certificate of registration that is
21 issued by the Department to a retailer under the Retailers'
22 Occupation Tax Act shall permit the retailer to engage in a
23 business that is taxable under any ordinance or resolution
24 enacted pursuant to this Section without registering
25 separately with the Department under such ordinance or
26 resolution or under this Section. The Department shall have

1 full power to administer and enforce this Section; to collect
2 all taxes and penalties due hereunder; to dispose of taxes and
3 penalties so collected in the manner hereinafter provided; and
4 to determine all rights to credit memoranda arising on account
5 of the erroneous payment of tax or penalty hereunder. In the
6 administration of, and compliance with, this Section, the
7 Department and persons who are subject to this Section shall
8 have the same rights, remedies, privileges, immunities, powers
9 and duties, and be subject to the same conditions,
10 restrictions, limitations, penalties and definitions of terms,
11 and employ the same modes of procedure, as are prescribed in
12 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through
13 2-65 (in respect to all provisions therein other than the
14 State rate of tax), 3 (except as to the disposition of taxes
15 and penalties collected, and except that the retailer's
16 discount is not allowed for taxes paid on aviation fuel that
17 are subject to the revenue use requirements of 49 U.S.C.
18 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
19 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10,
20 11, 12 and 13 of the Retailers' Occupation Tax Act and Section
21 3-7 of the Uniform Penalty and Interest Act, as fully as if
22 those provisions were set forth herein.

23 No tax may be imposed by a home rule county pursuant to
24 this Section unless the county also imposes a tax at the same
25 rate pursuant to Section 5-1007.

26 Persons subject to any tax imposed pursuant to the

1 authority granted in this Section may reimburse themselves for
2 their seller's tax liability hereunder by separately stating
3 such tax as an additional charge, which charge may be stated in
4 combination, in a single amount, with State tax which sellers
5 are required to collect under the Use Tax Act, pursuant to such
6 bracket schedules as the Department may prescribe.

7 Whenever the Department determines that a refund should be
8 made under this Section to a claimant instead of issuing a
9 credit memorandum, the Department shall notify the State
10 Comptroller, who shall cause the order to be drawn for the
11 amount specified and to the person named in the notification
12 from the Department. The refund shall be paid by the State
13 Treasurer out of the home rule county retailers' occupation
14 tax fund or the Local Government Aviation Trust Fund, as
15 appropriate.

16 Except as otherwise provided in this paragraph, the
17 Department shall forthwith pay over to the State Treasurer, ex
18 officio, as trustee, all taxes and penalties collected
19 hereunder for deposit into the Home Rule County Retailers'
20 Occupation Tax Fund. Taxes and penalties collected on aviation
21 fuel sold on or after December 1, 2019, shall be immediately
22 paid over by the Department to the State Treasurer, ex
23 officio, as trustee, for deposit into the Local Government
24 Aviation Trust Fund. The Department shall only pay moneys into
25 the Local Government Aviation Trust Fund under this Section
26 for so long as the revenue use requirements of 49 U.S.C.

1 47107(b) and 49 U.S.C. 47133 are binding on the county.

2 As soon as possible after the first day of each month,
3 beginning January 1, 2011, upon certification of the
4 Department of Revenue, the Comptroller shall order
5 transferred, and the Treasurer shall transfer, to the STAR
6 Bonds Revenue Fund the local sales tax increment, as defined
7 in the Innovation Development and Economy Act, collected under
8 this Section during the second preceding calendar month for
9 sales within a STAR bond district.

10 After the monthly transfer to the STAR Bonds Revenue Fund,
11 on or before the 25th day of each calendar month, the
12 Department shall prepare and certify to the Comptroller the
13 disbursement of stated sums of money to named counties, the
14 counties to be those from which retailers have paid taxes or
15 penalties hereunder to the Department during the second
16 preceding calendar month. The amount to be paid to each county
17 shall be the amount (not including credit memoranda and not
18 including taxes and penalties collected on aviation fuel sold
19 on or after December 1, 2019) collected hereunder during the
20 second preceding calendar month by the Department plus an
21 amount the Department determines is necessary to offset any
22 amounts that were erroneously paid to a different taxing body,
23 and not including an amount equal to the amount of refunds made
24 during the second preceding calendar month by the Department
25 on behalf of such county, and not including any amount which
26 the Department determines is necessary to offset any amounts

1 which were payable to a different taxing body but were
2 erroneously paid to the county, and not including any amounts
3 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
4 of the remainder, which the Department shall transfer into the
5 Tax Compliance and Administration Fund. The Department, at the
6 time of each monthly disbursement to the counties, shall
7 prepare and certify to the State Comptroller the amount to be
8 transferred into the Tax Compliance and Administration Fund
9 under this Section. Within 10 days after receipt, by the
10 Comptroller, of the disbursement certification to the counties
11 and the Tax Compliance and Administration Fund provided for in
12 this Section to be given to the Comptroller by the Department,
13 the Comptroller shall cause the orders to be drawn for the
14 respective amounts in accordance with the directions contained
15 in the certification.

16 In addition to the disbursement required by the preceding
17 paragraph, an allocation shall be made in March of each year to
18 each county that received more than \$500,000 in disbursements
19 under the preceding paragraph in the preceding calendar year.
20 The allocation shall be in an amount equal to the average
21 monthly distribution made to each such county under the
22 preceding paragraph during the preceding calendar year
23 (excluding the 2 months of highest receipts). The distribution
24 made in March of each year subsequent to the year in which an
25 allocation was made pursuant to this paragraph and the
26 preceding paragraph shall be reduced by the amount allocated

1 and disbursed under this paragraph in the preceding calendar
2 year. The Department shall prepare and certify to the
3 Comptroller for disbursement the allocations made in
4 accordance with this paragraph.

5 For the purpose of determining the local governmental unit
6 whose tax is applicable, a retail sale by a producer of coal or
7 other mineral mined in Illinois is a sale at retail at the
8 place where the coal or other mineral mined in Illinois is
9 extracted from the earth. This paragraph does not apply to
10 coal or other mineral when it is delivered or shipped by the
11 seller to the purchaser at a point outside Illinois so that the
12 sale is exempt under the United States Constitution as a sale
13 in interstate or foreign commerce.

14 Nothing in this Section shall be construed to authorize a
15 county to impose a tax upon the privilege of engaging in any
16 business which under the Constitution of the United States may
17 not be made the subject of taxation by this State.

18 An ordinance or resolution imposing or discontinuing a tax
19 hereunder or effecting a change in the rate thereof shall be
20 adopted and a certified copy thereof filed with the Department
21 on or before the first day of June, whereupon the Department
22 shall proceed to administer and enforce this Section as of the
23 first day of September next following such adoption and
24 filing. Beginning January 1, 1992, an ordinance or resolution
25 imposing or discontinuing the tax hereunder or effecting a
26 change in the rate thereof shall be adopted and a certified

1 copy thereof filed with the Department on or before the first
2 day of July, whereupon the Department shall proceed to
3 administer and enforce this Section as of the first day of
4 October next following such adoption and filing. Beginning
5 January 1, 1993, an ordinance or resolution imposing or
6 discontinuing the tax hereunder or effecting a change in the
7 rate thereof shall be adopted and a certified copy thereof
8 filed with the Department on or before the first day of
9 October, whereupon the Department shall proceed to administer
10 and enforce this Section as of the first day of January next
11 following such adoption and filing. Beginning April 1, 1998,
12 an ordinance or resolution imposing or discontinuing the tax
13 hereunder or effecting a change in the rate thereof shall
14 either (i) be adopted and a certified copy thereof filed with
15 the Department on or before the first day of April, whereupon
16 the Department shall proceed to administer and enforce this
17 Section as of the first day of July next following the adoption
18 and filing; or (ii) be adopted and a certified copy thereof
19 filed with the Department on or before the first day of
20 October, whereupon the Department shall proceed to administer
21 and enforce this Section as of the first day of January next
22 following the adoption and filing.

23 When certifying the amount of a monthly disbursement to a
24 county under this Section, the Department shall increase or
25 decrease such amount by an amount necessary to offset any
26 misallocation of previous disbursements. The offset amount

1 shall be the amount erroneously disbursed within the previous
2 6 months from the time a misallocation is discovered.

3 This Section shall be known and may be cited as the Home
4 Rule County Retailers' Occupation Tax Law.

5 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

6 (55 ILCS 5/5-1006.5)

7 Sec. 5-1006.5. Special County Retailers' Occupation Tax
8 For Public Safety, Public Facilities, Mental Health, Substance
9 Abuse, or Transportation.

10 (a) The county board of any county may impose a tax upon
11 all persons engaged in the business of selling tangible
12 personal property, other than personal property titled or
13 registered with an agency of this State's government, at
14 retail in the county on the gross receipts from the sales made
15 in the course of business to provide revenue to be used
16 exclusively for public safety, public facility, mental health,
17 substance abuse, or transportation purposes in that county
18 (except as otherwise provided in this Section), if a
19 proposition for the tax has been submitted to the electors of
20 that county and approved by a majority of those voting on the
21 question. If imposed, this tax shall be imposed only in
22 one-quarter percent increments. By resolution, the county
23 board may order the proposition to be submitted at any
24 election. If the tax is imposed for transportation purposes
25 for expenditures for public highways or as authorized under

1 the Illinois Highway Code, the county board must publish
2 notice of the existence of its long-range highway
3 transportation plan as required or described in Section 5-301
4 of the Illinois Highway Code and must make the plan publicly
5 available prior to approval of the ordinance or resolution
6 imposing the tax. If the tax is imposed for transportation
7 purposes for expenditures for passenger rail transportation,
8 the county board must publish notice of the existence of its
9 long-range passenger rail transportation plan and must make
10 the plan publicly available prior to approval of the ordinance
11 or resolution imposing the tax.

12 If a tax is imposed for public facilities purposes, then
13 the name of the project may be included in the proposition at
14 the discretion of the county board as determined in the
15 enabling resolution. For example, the "XXX Nursing Home" or
16 the "YYY Museum".

17 The county clerk shall certify the question to the proper
18 election authority, who shall submit the proposition at an
19 election in accordance with the general election law.

20 (1) The proposition for public safety purposes shall
21 be in substantially the following form:

22 "To pay for public safety purposes, shall (name of
23 county) be authorized to impose an increase on its share
24 of local sales taxes by (insert rate)?"

25 As additional information on the ballot below the
26 question shall appear the following:

1 "This would mean that a consumer would pay an
2 additional (insert amount) in sales tax for every \$100 of
3 tangible personal property bought at retail."

4 The county board may also opt to establish a sunset
5 provision at which time the additional sales tax would
6 cease being collected, if not terminated earlier by a vote
7 of the county board. If the county board votes to include a
8 sunset provision, the proposition for public safety
9 purposes shall be in substantially the following form:

10 "To pay for public safety purposes, shall (name of
11 county) be authorized to impose an increase on its share
12 of local sales taxes by (insert rate) for a period not to
13 exceed (insert number of years)?"

14 As additional information on the ballot below the
15 question shall appear the following:

16 "This would mean that a consumer would pay an
17 additional (insert amount) in sales tax for every \$100 of
18 tangible personal property bought at retail. If imposed,
19 the additional tax would cease being collected at the end
20 of (insert number of years), if not terminated earlier by
21 a vote of the county board."

22 For the purposes of the paragraph, "public safety
23 purposes" means crime prevention, detention, fire
24 fighting, police, medical, ambulance, or other emergency
25 services.

26 Votes shall be recorded as "Yes" or "No".

1 Beginning on the January 1 or July 1, whichever is
2 first, that occurs not less than 30 days after May 31, 2015
3 (the effective date of Public Act 99-4), Adams County may
4 impose a public safety retailers' occupation tax and
5 service occupation tax at the rate of 0.25%, as provided
6 in the referendum approved by the voters on April 7, 2015,
7 notwithstanding the omission of the additional information
8 that is otherwise required to be printed on the ballot
9 below the question pursuant to this item (1).

10 (2) The proposition for transportation purposes shall
11 be in substantially the following form:

12 "To pay for improvements to roads and other
13 transportation purposes, shall (name of county) be
14 authorized to impose an increase on its share of local
15 sales taxes by (insert rate)?"

16 As additional information on the ballot below the
17 question shall appear the following:

18 "This would mean that a consumer would pay an
19 additional (insert amount) in sales tax for every \$100 of
20 tangible personal property bought at retail."

21 The county board may also opt to establish a sunset
22 provision at which time the additional sales tax would
23 cease being collected, if not terminated earlier by a vote
24 of the county board. If the county board votes to include a
25 sunset provision, the proposition for transportation
26 purposes shall be in substantially the following form:

1 "To pay for road improvements and other transportation
2 purposes, shall (name of county) be authorized to impose
3 an increase on its share of local sales taxes by (insert
4 rate) for a period not to exceed (insert number of
5 years)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail. If imposed,
11 the additional tax would cease being collected at the end
12 of (insert number of years), if not terminated earlier by
13 a vote of the county board."

14 For the purposes of this paragraph, transportation
15 purposes means construction, maintenance, operation, and
16 improvement of public highways, any other purpose for
17 which a county may expend funds under the Illinois Highway
18 Code, and passenger rail transportation.

19 The votes shall be recorded as "Yes" or "No".

20 (3) The proposition for public facilities purposes
21 shall be in substantially the following form:

22 "To pay for public facilities purposes, shall (name of
23 county) be authorized to impose an increase on its share
24 of local sales taxes by (insert rate)?"

25 As additional information on the ballot below the
26 question shall appear the following:

1 "This would mean that a consumer would pay an
2 additional (insert amount) in sales tax for every \$100 of
3 tangible personal property bought at retail."

4 The county board may also opt to establish a sunset
5 provision at which time the additional sales tax would
6 cease being collected, if not terminated earlier by a vote
7 of the county board. If the county board votes to include a
8 sunset provision, the proposition for public facilities
9 purposes shall be in substantially the following form:

10 "To pay for public facilities purposes, shall (name of
11 county) be authorized to impose an increase on its share
12 of local sales taxes by (insert rate) for a period not to
13 exceed (insert number of years)?"

14 As additional information on the ballot below the
15 question shall appear the following:

16 "This would mean that a consumer would pay an
17 additional (insert amount) in sales tax for every \$100 of
18 tangible personal property bought at retail. If imposed,
19 the additional tax would cease being collected at the end
20 of (insert number of years), if not terminated earlier by
21 a vote of the county board."

22 For purposes of this Section, "public facilities
23 purposes" means the acquisition, development,
24 construction, reconstruction, rehabilitation,
25 improvement, financing, architectural planning, and
26 installation of capital facilities consisting of

1 buildings, structures, and durable equipment and for the
2 acquisition and improvement of real property and interest
3 in real property required, or expected to be required, in
4 connection with the public facilities, for use by the
5 county for the furnishing of governmental services to its
6 citizens, including, but not limited to, museums and
7 nursing homes.

8 The votes shall be recorded as "Yes" or "No".

9 (4) The proposition for mental health purposes shall
10 be in substantially the following form:

11 "To pay for mental health purposes, shall (name of
12 county) be authorized to impose an increase on its share
13 of local sales taxes by (insert rate)?"

14 As additional information on the ballot below the
15 question shall appear the following:

16 "This would mean that a consumer would pay an
17 additional (insert amount) in sales tax for every \$100 of
18 tangible personal property bought at retail."

19 The county board may also opt to establish a sunset
20 provision at which time the additional sales tax would
21 cease being collected, if not terminated earlier by a vote
22 of the county board. If the county board votes to include a
23 sunset provision, the proposition for public facilities
24 purposes shall be in substantially the following form:

25 "To pay for mental health purposes, shall (name of
26 county) be authorized to impose an increase on its share

1 of local sales taxes by (insert rate) for a period not to
2 exceed (insert number of years)?"

3 As additional information on the ballot below the
4 question shall appear the following:

5 "This would mean that a consumer would pay an
6 additional (insert amount) in sales tax for every \$100 of
7 tangible personal property bought at retail. If imposed,
8 the additional tax would cease being collected at the end
9 of (insert number of years), if not terminated earlier by
10 a vote of the county board."

11 The votes shall be recorded as "Yes" or "No".

12 (5) The proposition for substance abuse purposes shall
13 be in substantially the following form:

14 "To pay for substance abuse purposes, shall (name of
15 county) be authorized to impose an increase on its share
16 of local sales taxes by (insert rate)?"

17 As additional information on the ballot below the
18 question shall appear the following:

19 "This would mean that a consumer would pay an
20 additional (insert amount) in sales tax for every \$100 of
21 tangible personal property bought at retail."

22 The county board may also opt to establish a sunset
23 provision at which time the additional sales tax would
24 cease being collected, if not terminated earlier by a vote
25 of the county board. If the county board votes to include a
26 sunset provision, the proposition for public facilities

1 purposes shall be in substantially the following form:

2 "To pay for substance abuse purposes, shall (name of
3 county) be authorized to impose an increase on its share
4 of local sales taxes by (insert rate) for a period not to
5 exceed (insert number of years)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail. If imposed,
11 the additional tax would cease being collected at the end
12 of (insert number of years), if not terminated earlier by
13 a vote of the county board."

14 The votes shall be recorded as "Yes" or "No".

15 If a majority of the electors voting on the proposition
16 vote in favor of it, the county may impose the tax. A county
17 may not submit more than one proposition authorized by this
18 Section to the electors at any one time.

19 This additional tax may not be imposed on tangible
20 personal property taxed at the 1% rate under the Retailers'
21 Occupation Tax Act (or at the 0% rate imposed under Public Act
22 102-700 ~~this amendatory Act of the 102nd General Assembly~~).
23 Beginning December 1, 2019 and through December 31, 2020, this
24 tax is not imposed on sales of aviation fuel unless the tax
25 revenue is expended for airport-related purposes. If the
26 county does not have an airport-related purpose to which it

1 dedicates aviation fuel tax revenue, then aviation fuel is
2 excluded from the tax. The county must comply with the
3 certification requirements for airport-related purposes under
4 Section 2-22 of the Retailers' Occupation Tax Act. For
5 purposes of this Section, "airport-related purposes" has the
6 meaning ascribed in Section 6z-20.2 of the State Finance Act.
7 Beginning January 1, 2021, this tax is not imposed on sales of
8 aviation fuel for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
10 The tax imposed by a county under this Section and all civil
11 penalties that may be assessed as an incident of the tax shall
12 be collected and enforced by the Illinois Department of
13 Revenue and deposited into a special fund created for that
14 purpose. The certificate of registration that is issued by the
15 Department to a retailer under the Retailers' Occupation Tax
16 Act shall permit the retailer to engage in a business that is
17 taxable without registering separately with the Department
18 under an ordinance or resolution under this Section. The
19 Department has full power to administer and enforce this
20 Section, to collect all taxes and penalties due under this
21 Section, to dispose of taxes and penalties so collected in the
22 manner provided in this Section, and to determine all rights
23 to credit memoranda arising on account of the erroneous
24 payment of a tax or penalty under this Section. In the
25 administration of and compliance with this Section, the
26 Department and persons who are subject to this Section shall

1 (i) have the same rights, remedies, privileges, immunities,
2 powers, and duties, (ii) be subject to the same conditions,
3 restrictions, limitations, penalties, and definitions of
4 terms, and (iii) employ the same modes of procedure as are
5 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
6 1n, 2 through 2-70 (in respect to all provisions contained in
7 those Sections other than the State rate of tax), 2a, 2b, 2c, 3
8 (except provisions relating to transaction returns and quarter
9 monthly payments, and except that the retailer's discount is
10 not allowed for taxes paid on aviation fuel that are deposited
11 into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b,
12 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c,
13 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
14 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
15 Interest Act as if those provisions were set forth in this
16 Section.

17 Persons subject to any tax imposed under the authority
18 granted in this Section may reimburse themselves for their
19 sellers' tax liability by separately stating the tax as an
20 additional charge, which charge may be stated in combination,
21 in a single amount, with State tax which sellers are required
22 to collect under the Use Tax Act, pursuant to such bracketed
23 schedules as the Department may prescribe.

24 Whenever the Department determines that a refund should be
25 made under this Section to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the
2 amount specified and to the person named in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the County Public Safety, Public Facilities,
5 Mental Health, Substance Abuse, or Transportation Retailers'
6 Occupation Tax Fund or the Local Government Aviation Trust
7 Fund, as appropriate.

8 (b) If a tax has been imposed under subsection (a), a
9 service occupation tax shall also be imposed upon all persons
10 engaged in the county in the business of making sales of
11 service, at the same rate of tax imposed under subsection (a),
12 on the selling price of all ~~upon all persons engaged, in the~~
13 ~~county, in the business of making sales of service, who, as an~~
14 ~~incident to making those sales of service, transfer~~ tangible
15 personal property transferred by the serviceman ~~within the~~
16 ~~county~~ as an incident to a sale of service. This tax may not be
17 imposed on tangible personal property taxed at the 1% rate
18 under the Service Occupation Tax Act (or at the 0% rate imposed
19 under Public Act 102-700 ~~this amendatory Act of the 102nd~~
20 ~~General Assembly~~). Beginning December 1, 2019 and through
21 December 31, 2020, this tax is not imposed on sales of aviation
22 fuel unless the tax revenue is expended for airport-related
23 purposes. If the county does not have an airport-related
24 purpose to which it dedicates aviation fuel tax revenue, then
25 aviation fuel is excluded from the tax. The county must comply
26 with the certification requirements for airport-related

1 purposes under Section 2-22 of the Retailers' Occupation Tax
2 Act. For purposes of this Section, "airport-related purposes"
3 has the meaning ascribed in Section 6z-20.2 of the State
4 Finance Act. Beginning January 1, 2021, this tax is not
5 imposed on sales of aviation fuel for so long as the revenue
6 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
7 binding on the county. The tax imposed under this subsection
8 and all civil penalties that may be assessed as an incident
9 thereof shall be collected and enforced by the Department of
10 Revenue. The Department has full power to administer and
11 enforce this subsection; to collect all taxes and penalties
12 due hereunder; to dispose of taxes and penalties so collected
13 in the manner hereinafter provided; and to determine all
14 rights to credit memoranda arising on account of the erroneous
15 payment of tax or penalty hereunder. In the administration of
16 and compliance with this subsection, the Department and
17 persons who are subject to this paragraph shall (i) have the
18 same rights, remedies, privileges, immunities, powers, and
19 duties, (ii) be subject to the same conditions, restrictions,
20 limitations, penalties, exclusions, exemptions, and
21 definitions of terms, and (iii) employ the same modes of
22 procedure as are prescribed in Sections 2 (except that the
23 reference to State in the definition of supplier maintaining a
24 place of business in this State shall mean the county), 2a, 2b,
25 2c, 3 through 3-50 (in respect to all provisions therein other
26 than the State rate of tax), 4 (except that the reference to

1 the State shall be to the county), 5, 7, 8 (except that the
2 jurisdiction to which the tax shall be a debt to the extent
3 indicated in that Section 8 shall be the county), 9 (except as
4 to the disposition of taxes and penalties collected, and
5 except that the retailer's discount is not allowed for taxes
6 paid on aviation fuel that are deposited into the Local
7 Government Aviation Trust Fund), 10, 11, 12 (except the
8 reference therein to Section 2b of the Retailers' Occupation
9 Tax Act), 13 (except that any reference to the State shall mean
10 the county), Section 15, 16, 17, 18, 19, and 20 of the Service
11 Occupation Tax Act, and Section 3-7 of the Uniform Penalty and
12 Interest Act, as fully as if those provisions were set forth
13 herein.

14 Persons subject to any tax imposed under the authority
15 granted in this subsection may reimburse themselves for their
16 serviceman's tax liability by separately stating the tax as an
17 additional charge, which charge may be stated in combination,
18 in a single amount, with State tax that servicemen are
19 authorized to collect under the Service Use Tax Act, in
20 accordance with such bracket schedules as the Department may
21 prescribe.

22 Whenever the Department determines that a refund should be
23 made under this subsection to a claimant instead of issuing a
24 credit memorandum, the Department shall notify the State
25 Comptroller, who shall cause the warrant to be drawn for the
26 amount specified, and to the person named, in the notification

1 from the Department. The refund shall be paid by the State
2 Treasurer out of the County Public Safety, Public Facilities,
3 Mental Health, Substance Abuse, or Transportation Retailers'
4 Occupation Tax Fund or the Local Government Aviation Trust
5 Fund, as appropriate.

6 Nothing in this subsection shall be construed to authorize
7 the county to impose a tax upon the privilege of engaging in
8 any business which under the Constitution of the United States
9 may not be made the subject of taxation by the State.

10 (b-5) If, on January 1, 2025, a unit of local government
11 has in effect a tax under this Section, or if, after January 1,
12 2025, a unit of local government imposes a tax under this
13 Section, then that tax applies to leases of tangible personal
14 property in effect, entered into, or renewed on or after that
15 date in the same manner as the tax under this Section and in
16 accordance with the changes made by Public Act 103-592 ~~this~~
17 ~~amendatory Act of the 103rd General Assembly.~~

18 (c) Except as otherwise provided in this paragraph, the
19 Department shall immediately pay over to the State Treasurer,
20 ex officio, as trustee, all taxes and penalties collected
21 under this Section to be deposited into the County Public
22 Safety, Public Facilities, Mental Health, Substance Abuse, or
23 Transportation Retailers' Occupation Tax Fund, which shall be
24 an unappropriated trust fund held outside of the State
25 treasury. Taxes and penalties collected on aviation fuel sold
26 on or after December 1, 2019 and through December 31, 2020,

1 shall be immediately paid over by the Department to the State
2 Treasurer, ex officio, as trustee, for deposit into the Local
3 Government Aviation Trust Fund. The Department shall only pay
4 moneys into the Local Government Aviation Trust Fund under
5 this Act for so long as the revenue use requirements of 49
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

7 As soon as possible after the first day of each month,
8 beginning January 1, 2011, upon certification of the
9 Department of Revenue, the Comptroller shall order
10 transferred, and the Treasurer shall transfer, to the STAR
11 Bonds Revenue Fund the local sales tax increment, as defined
12 in the Innovation Development and Economy Act, collected under
13 this Section during the second preceding calendar month for
14 sales within a STAR bond district.

15 After the monthly transfer to the STAR Bonds Revenue Fund,
16 on or before the 25th day of each calendar month, the
17 Department shall prepare and certify to the Comptroller the
18 disbursement of stated sums of money to the counties from
19 which retailers have paid taxes or penalties to the Department
20 during the second preceding calendar month. The amount to be
21 paid to each county, and deposited by the county into its
22 special fund created for the purposes of this Section, shall
23 be the amount (not including credit memoranda and not
24 including taxes and penalties collected on aviation fuel sold
25 on or after December 1, 2019 and through December 31, 2020)
26 collected under this Section during the second preceding

1 calendar month by the Department plus an amount the Department
2 determines is necessary to offset any amounts that were
3 erroneously paid to a different taxing body, and not including
4 (i) an amount equal to the amount of refunds made during the
5 second preceding calendar month by the Department on behalf of
6 the county, (ii) any amount that the Department determines is
7 necessary to offset any amounts that were payable to a
8 different taxing body but were erroneously paid to the county,
9 (iii) any amounts that are transferred to the STAR Bonds
10 Revenue Fund, and (iv) 1.5% of the remainder, which shall be
11 transferred into the Tax Compliance and Administration Fund.
12 The Department, at the time of each monthly disbursement to
13 the counties, shall prepare and certify to the State
14 Comptroller the amount to be transferred into the Tax
15 Compliance and Administration Fund under this subsection.
16 Within 10 days after receipt by the Comptroller of the
17 disbursement certification to the counties and the Tax
18 Compliance and Administration Fund provided for in this
19 Section to be given to the Comptroller by the Department, the
20 Comptroller shall cause the orders to be drawn for the
21 respective amounts in accordance with directions contained in
22 the certification.

23 In addition to the disbursement required by the preceding
24 paragraph, an allocation shall be made in March of each year to
25 each county that received more than \$500,000 in disbursements
26 under the preceding paragraph in the preceding calendar year.

1 The allocation shall be in an amount equal to the average
2 monthly distribution made to each such county under the
3 preceding paragraph during the preceding calendar year
4 (excluding the 2 months of highest receipts). The distribution
5 made in March of each year subsequent to the year in which an
6 allocation was made pursuant to this paragraph and the
7 preceding paragraph shall be reduced by the amount allocated
8 and disbursed under this paragraph in the preceding calendar
9 year. The Department shall prepare and certify to the
10 Comptroller for disbursement the allocations made in
11 accordance with this paragraph.

12 (d) For the purpose of determining the local governmental
13 unit whose tax is applicable, a retail sale by a producer of
14 coal or another mineral mined in Illinois is a sale at retail
15 at the place where the coal or other mineral mined in Illinois
16 is extracted from the earth. This paragraph does not apply to
17 coal or another mineral when it is delivered or shipped by the
18 seller to the purchaser at a point outside Illinois so that the
19 sale is exempt under the United States Constitution as a sale
20 in interstate or foreign commerce.

21 (e) Nothing in this Section shall be construed to
22 authorize a county to impose a tax upon the privilege of
23 engaging in any business that under the Constitution of the
24 United States may not be made the subject of taxation by this
25 State.

26 (e-5) If a county imposes a tax under this Section, the

1 county board may, by ordinance, discontinue or lower the rate
2 of the tax. If the county board lowers the tax rate or
3 discontinues the tax, a referendum must be held in accordance
4 with subsection (a) of this Section in order to increase the
5 rate of the tax or to reimpose the discontinued tax.

6 (f) Beginning April 1, 1998 and through December 31, 2013,
7 the results of any election authorizing a proposition to
8 impose a tax under this Section or effecting a change in the
9 rate of tax, or any ordinance lowering the rate or
10 discontinuing the tax, shall be certified by the county clerk
11 and filed with the Illinois Department of Revenue either (i)
12 on or before the first day of April, whereupon the Department
13 shall proceed to administer and enforce the tax as of the first
14 day of July next following the filing; or (ii) on or before the
15 first day of October, whereupon the Department shall proceed
16 to administer and enforce the tax as of the first day of
17 January next following the filing.

18 Beginning January 1, 2014, the results of any election
19 authorizing a proposition to impose a tax under this Section
20 or effecting an increase in the rate of tax, along with the
21 ordinance adopted to impose the tax or increase the rate of the
22 tax, or any ordinance adopted to lower the rate or discontinue
23 the tax, shall be certified by the county clerk and filed with
24 the Illinois Department of Revenue either (i) on or before the
25 first day of May, whereupon the Department shall proceed to
26 administer and enforce the tax as of the first day of July next

1 following the adoption and filing; or (ii) on or before the
2 first day of October, whereupon the Department shall proceed
3 to administer and enforce the tax as of the first day of
4 January next following the adoption and filing.

5 (g) When certifying the amount of a monthly disbursement
6 to a county under this Section, the Department shall increase
7 or decrease the amounts by an amount necessary to offset any
8 miscalculation of previous disbursements. The offset amount
9 shall be the amount erroneously disbursed within the previous
10 6 months from the time a miscalculation is discovered.

11 (g-5) Every county authorized to levy a tax under this
12 Section shall, before it levies such tax, establish a 7-member
13 mental health board, which shall have the same powers and
14 duties and be constituted in the same manner as a community
15 mental health board established under the Community Mental
16 Health Act. Proceeds of the tax under this Section that are
17 earmarked for mental health or substance abuse purposes shall
18 be deposited into a special county occupation tax fund for
19 mental health and substance abuse. The 7-member mental health
20 board established under this subsection shall administer the
21 special county occupation tax fund for mental health and
22 substance abuse in the same manner as the community mental
23 health board administers the community mental health fund
24 under the Community Mental Health Act.

25 (h) This Section may be cited as the "Special County
26 Occupation Tax For Public Safety, Public Facilities, Mental

1 Health, Substance Abuse, or Transportation Law".

2 (i) For purposes of this Section, "public safety"
3 includes, but is not limited to, crime prevention, detention,
4 fire fighting, police, medical, ambulance, or other emergency
5 services. The county may share tax proceeds received under
6 this Section for public safety purposes, including proceeds
7 received before August 4, 2009 (the effective date of Public
8 Act 96-124), with any fire protection district located in the
9 county. For the purposes of this Section, "transportation"
10 includes, but is not limited to, the construction,
11 maintenance, operation, and improvement of public highways,
12 any other purpose for which a county may expend funds under the
13 Illinois Highway Code, and passenger rail transportation. For
14 the purposes of this Section, "public facilities purposes"
15 includes, but is not limited to, the acquisition, development,
16 construction, reconstruction, rehabilitation, improvement,
17 financing, architectural planning, and installation of capital
18 facilities consisting of buildings, structures, and durable
19 equipment and for the acquisition and improvement of real
20 property and interest in real property required, or expected
21 to be required, in connection with the public facilities, for
22 use by the county for the furnishing of governmental services
23 to its citizens, including, but not limited to, museums and
24 nursing homes.

25 (j) The Department may promulgate rules to implement
26 Public Act 95-1002 only to the extent necessary to apply the

1 existing rules for the Special County Retailers' Occupation
2 Tax for Public Safety to this new purpose for public
3 facilities.

4 (Source: P.A. 102-379, eff. 1-1-22; 102-700, eff. 4-19-22;
5 103-592, eff. 1-1-25; revised 7-7-25.)

6 (55 ILCS 5/5-1006.7)

7 Sec. 5-1006.7. School facility and resources occupation
8 taxes.

9 (a) In any county, a tax shall be imposed upon all persons
10 engaged in the business of selling tangible personal property,
11 other than personal property titled or registered with an
12 agency of this State's government, at retail in the county on
13 the gross receipts from the sales made in the course of
14 business to provide revenue to be used exclusively for (i)
15 school facility purposes (except as otherwise provided in this
16 Section), (ii) school resource officers and mental health
17 professionals, or (iii) school facility purposes, school
18 resource officers, and mental health professionals if a
19 proposition for the tax has been submitted to the electors of
20 that county and approved by a majority of those voting on the
21 question as provided in subsection (c). The tax under this
22 Section shall be imposed only in one-quarter percent
23 increments and may not exceed 1%.

24 This additional tax may not be imposed on tangible
25 personal property taxed at the 1% rate under the Retailers'

1 Occupation Tax Act (or at the 0% rate imposed under Public Act
2 102-700). Beginning December 1, 2019 and through December 31,
3 2020, this tax is not imposed on sales of aviation fuel unless
4 the tax revenue is expended for airport-related purposes. If
5 the county does not have an airport-related purpose to which
6 it dedicates aviation fuel tax revenue, then aviation fuel is
7 excluded from the tax. The county must comply with the
8 certification requirements for airport-related purposes under
9 Section 2-22 of the Retailers' Occupation Tax Act. For
10 purposes of this Section, "airport-related purposes" has the
11 meaning ascribed in Section 6z-20.2 of the State Finance Act.
12 Beginning January 1, 2021, this tax is not imposed on sales of
13 aviation fuel for so long as the revenue use requirements of 49
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
15 The Department of Revenue has full power to administer and
16 enforce this subsection, to collect all taxes and penalties
17 due under this subsection, to dispose of taxes and penalties
18 so collected in the manner provided in this subsection, and to
19 determine all rights to credit memoranda arising on account of
20 the erroneous payment of a tax or penalty under this
21 subsection. The Department shall deposit all taxes and
22 penalties collected under this subsection into a special fund
23 created for that purpose.

24 In the administration of and compliance with this
25 subsection, the Department and persons who are subject to this
26 subsection (i) have the same rights, remedies, privileges,

1 immunities, powers, and duties, (ii) are subject to the same
2 conditions, restrictions, limitations, penalties, and
3 definitions of terms, and (iii) shall employ the same modes of
4 procedure as are set forth in Sections 1 through 10, 2 through
5 2-70 (in respect to all provisions contained in those Sections
6 other than the State rate of tax), 2a through 2h, 3 (except as
7 to the disposition of taxes and penalties collected, and
8 except that the retailer's discount is not allowed for taxes
9 paid on aviation fuel that are subject to the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
11 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a,
12 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
13 Occupation Tax Act and all provisions of the Uniform Penalty
14 and Interest Act as if those provisions were set forth in this
15 subsection.

16 The certificate of registration that is issued by the
17 Department to a retailer under the Retailers' Occupation Tax
18 Act permits the retailer to engage in a business that is
19 taxable without registering separately with the Department
20 under an ordinance or resolution under this subsection.

21 Persons subject to any tax imposed under the authority
22 granted in this subsection may reimburse themselves for their
23 seller's tax liability by separately stating that tax as an
24 additional charge, which may be stated in combination, in a
25 single amount, with State tax that sellers are required to
26 collect under the Use Tax Act, pursuant to any bracketed

1 schedules set forth by the Department.

2 (b) If a tax has been imposed under subsection (a), then a
3 service occupation tax must also be imposed upon all persons
4 engaged in the county in the business of making sales of
5 service, at the same rate of tax imposed under subsection (a),
6 on the selling price of all ~~upon all persons engaged, in the~~
7 ~~county, in the business of making sales of service, who, as an~~
8 ~~incident to making those sales of service, transfer~~ tangible
9 personal property transferred by the serviceman ~~within the~~
10 ~~county~~ as an incident to a sale of service.

11 This tax may not be imposed on tangible personal property
12 taxed at the 1% rate under the Service Occupation Tax Act (or
13 at the 0% rate imposed under Public Act 102-700). Beginning
14 December 1, 2019 and through December 31, 2020, this tax is not
15 imposed on sales of aviation fuel unless the tax revenue is
16 expended for airport-related purposes. If the county does not
17 have an airport-related purpose to which it dedicates aviation
18 fuel tax revenue, then aviation fuel is excluded from the tax.
19 The county must comply with the certification requirements for
20 airport-related purposes under Section 2-22 of the Retailers'
21 Occupation Tax Act. For purposes of this Section,
22 "airport-related purposes" has the meaning ascribed in Section
23 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
24 this tax is not imposed on sales of aviation fuel for so long
25 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
26 U.S.C. 47133 are binding on the county.

1 The tax imposed under this subsection and all civil
2 penalties that may be assessed as an incident thereof shall be
3 collected and enforced by the Department and deposited into a
4 special fund created for that purpose. The Department has full
5 power to administer and enforce this subsection, to collect
6 all taxes and penalties due under this subsection, to dispose
7 of taxes and penalties so collected in the manner provided in
8 this subsection, and to determine all rights to credit
9 memoranda arising on account of the erroneous payment of a tax
10 or penalty under this subsection.

11 In the administration of and compliance with this
12 subsection, the Department and persons who are subject to this
13 subsection shall (i) have the same rights, remedies,
14 privileges, immunities, powers and duties, (ii) be subject to
15 the same conditions, restrictions, limitations, penalties and
16 definition of terms, and (iii) employ the same modes of
17 procedure as are set forth in Sections 2 (except that that
18 reference to State in the definition of supplier maintaining a
19 place of business in this State means the county), 2a through
20 2d, 3 through 3-50 (in respect to all provisions contained in
21 those Sections other than the State rate of tax), 4 (except
22 that the reference to the State shall be to the county), 5, 7,
23 8 (except that the jurisdiction to which the tax is a debt to
24 the extent indicated in that Section 8 is the county), 9
25 (except as to the disposition of taxes and penalties
26 collected, and except that the retailer's discount is not

1 allowed for taxes paid on aviation fuel that are subject to the
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
3 47133), 10, 11, 12 (except the reference therein to Section 2b
4 of the Retailers' Occupation Tax Act), 13 (except that any
5 reference to the State means the county), 15, 16, 17, 18, 19,
6 and 20 of the Service Occupation Tax Act and all provisions of
7 the Uniform Penalty and Interest Act, as fully as if those
8 provisions were set forth herein.

9 Persons subject to any tax imposed under the authority
10 granted in this subsection may reimburse themselves for their
11 serviceman's tax liability by separately stating the tax as an
12 additional charge, which may be stated in combination, in a
13 single amount, with State tax that servicemen are authorized
14 to collect under the Service Use Tax Act, pursuant to any
15 bracketed schedules set forth by the Department.

16 (b-5) If, on January 1, 2025, a unit of local government
17 has in effect a tax under this Section, or if, after January 1,
18 2025, a unit of local government imposes a tax under this
19 Section, then that tax applies to leases of tangible personal
20 property in effect, entered into, or renewed on or after that
21 date in the same manner as the tax under this Section and in
22 accordance with the changes made by this amendatory Act of the
23 103rd General Assembly.

24 (c) The tax under this Section may not be imposed until the
25 question of imposing the tax has been submitted to the
26 electors of the county at a regular election and approved by a

1 majority of the electors voting on the question. For all
2 regular elections held prior to August 23, 2011 (the effective
3 date of Public Act 97-542), upon a resolution by the county
4 board or a resolution by school district boards that represent
5 at least 51% of the student enrollment within the county, the
6 county board must certify the question to the proper election
7 authority in accordance with the Election Code.

8 For all regular elections held prior to August 23, 2011
9 (the effective date of Public Act 97-542), the election
10 authority must submit the question in substantially the
11 following form:

12 Shall (name of county) be authorized to impose a
13 retailers' occupation tax and a service occupation tax
14 (commonly referred to as a "sales tax") at a rate of
15 (insert rate) to be used exclusively for school facility
16 purposes?

17 The election authority must record the votes as "Yes" or
18 "No".

19 If a majority of the electors voting on the question vote
20 in the affirmative, then the county may, thereafter, impose
21 the tax.

22 For all regular elections held on or after August 23, 2011
23 (the effective date of Public Act 97-542), the regional
24 superintendent of schools for the county must, upon receipt of
25 a resolution or resolutions of school district boards that
26 represent more than 50% of the student enrollment within the

1 county, certify the question to the proper election authority
2 for submission to the electors of the county at the next
3 regular election at which the question lawfully may be
4 submitted to the electors, all in accordance with the Election
5 Code.

6 For all regular elections held on or after August 23, 2011
7 (the effective date of Public Act 97-542) and before August
8 23, 2019 (the effective date of Public Act 101-455), the
9 election authority must submit the question in substantially
10 the following form:

11 Shall a retailers' occupation tax and a service
12 occupation tax (commonly referred to as a "sales tax") be
13 imposed in (name of county) at a rate of (insert rate) to
14 be used exclusively for school facility purposes?

15 The election authority must record the votes as "Yes" or
16 "No".

17 If a majority of the electors voting on the question vote
18 in the affirmative, then the tax shall be imposed at the rate
19 set forth in the question.

20 For all regular elections held on or after August 23, 2019
21 (the effective date of Public Act 101-455), the election
22 authority must submit the question as follows:

23 (1) If the referendum is to expand the use of revenues
24 from a currently imposed tax exclusively for school
25 facility purposes to include school resource officers and
26 mental health professionals, the question shall be in

1 substantially the following form:

2 In addition to school facility purposes, shall
3 (name of county) school districts be authorized to use
4 revenues from the tax commonly referred to as the
5 school facility sales tax that is currently imposed in
6 (name of county) at a rate of (insert rate) for school
7 resource officers and mental health professionals?

8 (2) If the referendum is to increase the rate of a tax
9 currently imposed exclusively for school facility purposes
10 at less than 1% and dedicate the additional revenues for
11 school resource officers and mental health professionals,
12 the question shall be in substantially the following form:

13 Shall the tax commonly referred to as the school
14 facility sales tax that is currently imposed in (name
15 of county) at the rate of (insert rate) be increased to
16 a rate of (insert rate) with the additional revenues
17 used exclusively for school resource officers and
18 mental health professionals?

19 (3) If the referendum is to impose a tax in a county
20 that has not previously imposed a tax under this Section
21 exclusively for school facility purposes, the question
22 shall be in substantially the following form:

23 Shall a retailers' occupation tax and a service
24 occupation tax (commonly referred to as a sales tax)
25 be imposed in (name of county) at a rate of (insert
26 rate) to be used exclusively for school facility

1 purposes?

2 (4) If the referendum is to impose a tax in a county
3 that has not previously imposed a tax under this Section
4 exclusively for school resource officers and mental health
5 professionals, the question shall be in substantially the
6 following form:

7 Shall a retailers' occupation tax and a service
8 occupation tax (commonly referred to as a sales tax)
9 be imposed in (name of county) at a rate of (insert
10 rate) to be used exclusively for school resource
11 officers and mental health professionals?

12 (5) If the referendum is to impose a tax in a county
13 that has not previously imposed a tax under this Section
14 exclusively for school facility purposes, school resource
15 officers, and mental health professionals, the question
16 shall be in substantially the following form:

17 Shall a retailers' occupation tax and a service
18 occupation tax (commonly referred to as a sales tax)
19 be imposed in (name of county) at a rate of (insert
20 rate) to be used exclusively for school facility
21 purposes, school resource officers, and mental health
22 professionals?

23 The election authority must record the votes as "Yes" or
24 "No".

25 If a majority of the electors voting on the question vote
26 in the affirmative, then the tax shall be imposed at the rate

1 set forth in the question.

2 For the purposes of this subsection (c), "enrollment"
3 means the head count of the students residing in the county on
4 the last school day of September of each year, which must be
5 reported on the Illinois State Board of Education Public
6 School Fall Enrollment/Housing Report.

7 (d) Except as otherwise provided, the Department shall
8 immediately pay over to the State Treasurer, ex officio, as
9 trustee, all taxes and penalties collected under this Section
10 to be deposited into the School Facility Occupation Tax Fund,
11 which shall be an unappropriated trust fund held outside the
12 State treasury. Taxes and penalties collected on aviation fuel
13 sold on or after December 1, 2019 and through December 31,
14 2020, shall be immediately paid over by the Department to the
15 State Treasurer, ex officio, as trustee, for deposit into the
16 Local Government Aviation Trust Fund. The Department shall
17 only pay moneys into the Local Government Aviation Trust Fund
18 under this Section for so long as the revenue use requirements
19 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
20 county.

21 On or before the 25th day of each calendar month, the
22 Department shall prepare and certify to the Comptroller the
23 disbursement of stated sums of money to the regional
24 superintendents of schools in counties from which retailers or
25 servicemen have paid taxes or penalties to the Department
26 during the second preceding calendar month. The amount to be

1 paid to each regional superintendent of schools and disbursed
2 to him or her in accordance with Section 3-14.31 of the School
3 Code, is equal to the amount (not including credit memoranda
4 and not including taxes and penalties collected on aviation
5 fuel sold on or after December 1, 2019 and through December 31,
6 2020) collected from the county under this Section during the
7 second preceding calendar month by the Department, (i) less 2%
8 of that amount (except the amount collected on aviation fuel
9 sold on or after December 1, 2019 and through December 31,
10 2020), of which 50% shall be deposited into the Tax Compliance
11 and Administration Fund and shall be used by the Department,
12 subject to appropriation, to cover the costs of the Department
13 in administering and enforcing the provisions of this Section,
14 on behalf of the county, and 50% shall be distributed to the
15 regional superintendent of schools to cover the costs in
16 administering and enforcing the provisions of this Section;
17 (ii) plus an amount that the Department determines is
18 necessary to offset any amounts that were erroneously paid to
19 a different taxing body; (iii) less an amount equal to the
20 amount of refunds made during the second preceding calendar
21 month by the Department on behalf of the county; and (iv) less
22 any amount that the Department determines is necessary to
23 offset any amounts that were payable to a different taxing
24 body but were erroneously paid to the county. When certifying
25 the amount of a monthly disbursement to a regional
26 superintendent of schools under this Section, the Department

1 shall increase or decrease the amounts by an amount necessary
2 to offset any miscalculation of previous disbursements within
3 the previous 6 months from the time a miscalculation is
4 discovered.

5 Within 10 days after receipt by the Comptroller from the
6 Department of the disbursement certification to the regional
7 superintendents of the schools provided for in this Section,
8 the Comptroller shall cause the orders to be drawn for the
9 respective amounts in accordance with directions contained in
10 the certification.

11 If the Department determines that a refund should be made
12 under this Section to a claimant instead of issuing a credit
13 memorandum, then the Department shall notify the Comptroller,
14 who shall cause the order to be drawn for the amount specified
15 and to the person named in the notification from the
16 Department. The refund shall be paid by the Treasurer out of
17 the School Facility Occupation Tax Fund or the Local
18 Government Aviation Trust Fund, as appropriate.

19 (e) For the purposes of determining the local governmental
20 unit whose tax is applicable, a retail sale by a producer of
21 coal or another mineral mined in Illinois is a sale at retail
22 at the place where the coal or other mineral mined in Illinois
23 is extracted from the earth. This subsection does not apply to
24 coal or another mineral when it is delivered or shipped by the
25 seller to the purchaser at a point outside Illinois so that the
26 sale is exempt under the United States Constitution as a sale

1 in interstate or foreign commerce.

2 (f) Nothing in this Section may be construed to authorize
3 a tax to be imposed upon the privilege of engaging in any
4 business that under the Constitution of the United States may
5 not be made the subject of taxation by this State.

6 (g) If a county board imposes a tax under this Section
7 pursuant to a referendum held before August 23, 2011 (the
8 effective date of Public Act 97-542) at a rate below the rate
9 set forth in the question approved by a majority of electors of
10 that county voting on the question as provided in subsection
11 (c), then the county board may, by ordinance, increase the
12 rate of the tax up to the rate set forth in the question
13 approved by a majority of electors of that county voting on the
14 question as provided in subsection (c). If a county board
15 imposes a tax under this Section pursuant to a referendum held
16 before August 23, 2011 (the effective date of Public Act
17 97-542), then the board may, by ordinance, discontinue or
18 reduce the rate of the tax. If a tax is imposed under this
19 Section pursuant to a referendum held on or after August 23,
20 2011 (the effective date of Public Act 97-542) and before
21 August 23, 2019 (the effective date of Public Act 101-455),
22 then the county board may reduce or discontinue the tax, but
23 only in accordance with subsection (h-5) of this Section. If a
24 tax is imposed under this Section pursuant to a referendum
25 held on or after August 23, 2019 (the effective date of Public
26 Act 101-455), then the county board may reduce or discontinue

1 the tax, but only in accordance with subsection (h-10). If,
2 however, a school board issues bonds that are secured by the
3 proceeds of the tax under this Section, then the county board
4 may not reduce the tax rate or discontinue the tax if that rate
5 reduction or discontinuance would adversely affect the school
6 board's ability to pay the principal and interest on those
7 bonds as they become due or necessitate the extension of
8 additional property taxes to pay the principal and interest on
9 those bonds. If the county board reduces the tax rate or
10 discontinues the tax, then a referendum must be held in
11 accordance with subsection (c) of this Section in order to
12 increase the rate of the tax or to reimpose the discontinued
13 tax.

14 Until January 1, 2014, the results of any election that
15 imposes, reduces, or discontinues a tax under this Section
16 must be certified by the election authority, and any ordinance
17 that increases or lowers the rate or discontinues the tax must
18 be certified by the county clerk and, in each case, filed with
19 the Illinois Department of Revenue either (i) on or before the
20 first day of April, whereupon the Department shall proceed to
21 administer and enforce the tax or change in the rate as of the
22 first day of July next following the filing; or (ii) on or
23 before the first day of October, whereupon the Department
24 shall proceed to administer and enforce the tax or change in
25 the rate as of the first day of January next following the
26 filing.

1 Beginning January 1, 2014, the results of any election
2 that imposes, reduces, or discontinues a tax under this
3 Section must be certified by the election authority, and any
4 ordinance that increases or lowers the rate or discontinues
5 the tax must be certified by the county clerk and, in each
6 case, filed with the Illinois Department of Revenue either (i)
7 on or before the first day of May, whereupon the Department
8 shall proceed to administer and enforce the tax or change in
9 the rate as of the first day of July next following the filing;
10 or (ii) on or before the first day of October, whereupon the
11 Department shall proceed to administer and enforce the tax or
12 change in the rate as of the first day of January next
13 following the filing.

14 (h) For purposes of this Section, "school facility
15 purposes" means (i) the acquisition, development,
16 construction, reconstruction, rehabilitation, improvement,
17 financing, architectural planning, and installation of capital
18 facilities consisting of buildings, structures, and durable
19 equipment and for the acquisition and improvement of real
20 property and interest in real property required, or expected
21 to be required, in connection with the capital facilities and
22 (ii) the payment of bonds or other obligations heretofore or
23 hereafter issued, including bonds or other obligations
24 heretofore or hereafter issued to refund or to continue to
25 refund bonds or other obligations issued, for school facility
26 purposes, provided that the taxes levied to pay those bonds

1 are abated by the amount of the taxes imposed under this
2 Section that are used to pay those bonds. "School facility
3 purposes" also includes fire prevention, safety, energy
4 conservation, accessibility, school security, and specified
5 repair purposes set forth under Section 17-2.11 of the School
6 Code.

7 (h-5) A county board in a county where a tax has been
8 imposed under this Section pursuant to a referendum held on or
9 after August 23, 2011 (the effective date of Public Act
10 97-542) and before August 23, 2019 (the effective date of
11 Public Act 101-455) may, by ordinance or resolution, submit to
12 the voters of the county the question of reducing or
13 discontinuing the tax. In the ordinance or resolution, the
14 county board shall certify the question to the proper election
15 authority in accordance with the Election Code. The election
16 authority must submit the question in substantially the
17 following form:

18 Shall the school facility retailers' occupation tax
19 and service occupation tax (commonly referred to as the
20 "school facility sales tax") currently imposed in (name of
21 county) at a rate of (insert rate) be (reduced to (insert
22 rate)) (discontinued)?

23 If a majority of the electors voting on the question vote in
24 the affirmative, then, subject to the provisions of subsection
25 (g) of this Section, the tax shall be reduced or discontinued
26 as set forth in the question.

1 (h-10) A county board in a county where a tax has been
2 imposed under this Section pursuant to a referendum held on or
3 after August 23, 2019 (the effective date of Public Act
4 101-455) may, by ordinance or resolution, submit to the voters
5 of the county the question of reducing or discontinuing the
6 tax. In the ordinance or resolution, the county board shall
7 certify the question to the proper election authority in
8 accordance with the Election Code. The election authority must
9 submit the question in substantially the following form:

10 Shall the school facility and resources retailers'
11 occupation tax and service occupation tax (commonly
12 referred to as the school facility and resources sales
13 tax) currently imposed in (name of county) at a rate of
14 (insert rate) be (reduced to (insert rate))
15 (discontinued)?

16 The election authority must record the votes as "Yes" or
17 "No".

18 If a majority of the electors voting on the question vote
19 in the affirmative, then, subject to the provisions of
20 subsection (g) of this Section, the tax shall be reduced or
21 discontinued as set forth in the question.

22 (i) This Section does not apply to Cook County.

23 (j) This Section may be cited as the County School
24 Facility and Resources Occupation Tax Law.

25 (Source: P.A. 102-700, eff. 4-19-22; 102-1062, eff. 7-1-22;
26 103-154, eff. 6-30-23; 103-592, eff. 1-1-25.)

1 (55 ILCS 5/5-1006.8)

2 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
3 Law.

4 (a) This Section may be referred to as the County Cannabis
5 Retailers' Occupation Tax Law. The corporate authorities of
6 any county may, by ordinance, impose a tax upon all persons
7 engaged in the business of selling cannabis, other than
8 cannabis purchased under the Compassionate Use of Medical
9 Cannabis Program Act, at retail in the county on the gross
10 receipts from these sales made in the course of that business.
11 If imposed, the tax shall be imposed only in 0.25% increments.
12 The tax rate may not exceed: (i) 3.75% of the gross receipts of
13 sales made in unincorporated areas of the county; and (ii) 3%
14 of the gross receipts of sales made in a municipality located
15 in the county. The tax imposed under this Section and all civil
16 penalties that may be assessed as an incident of the tax shall
17 be collected and enforced by the Department of Revenue. The
18 Department of Revenue shall have full power to administer and
19 enforce this Section; to collect all taxes and penalties due
20 hereunder; to dispose of taxes and penalties so collected in
21 the manner hereinafter provided; and to determine all rights
22 to credit memoranda arising on account of the erroneous
23 payment of tax or penalty under this Section. In the
24 administration of and compliance with this Section, the
25 Department of Revenue and persons who are subject to this

1 Section shall have the same rights, remedies, privileges,
2 immunities, powers and duties, and be subject to the same
3 conditions, restrictions, limitations, penalties, and
4 definitions of terms, and employ the same modes of procedure,
5 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
6 1n, 2 through 2-65 (in respect to all provisions therein other
7 than the State rate of tax), 2a, 2b, 2c, 2i, 3 (except as to
8 the disposition of taxes and penalties collected), 4, 5, 5a,
9 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b
10 ~~6b~~, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
11 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
12 Interest Act as fully as if those provisions were set forth in
13 this Section.

14 (b) Persons subject to any tax imposed under the authority
15 granted in this Section may reimburse themselves for their
16 seller's tax liability hereunder by separately stating that
17 tax as an additional charge, which charge may be stated in
18 combination, in a single amount, with any State tax that
19 sellers are required to collect.

20 (c) Whenever the Department of Revenue determines that a
21 refund should be made under this Section to a claimant instead
22 of issuing a credit memorandum, the Department of Revenue
23 shall notify the State Comptroller, who shall cause the order
24 to be drawn for the amount specified and to the person named in
25 the notification from the Department of Revenue.

26 (d) The Department of Revenue shall immediately pay over

1 to the State Treasurer, ex officio, as trustee, all taxes and
2 penalties collected hereunder for deposit into the Local
3 Cannabis Retailers' Occupation Tax Trust Fund.

4 (e) On or before the 25th day of each calendar month, the
5 Department of Revenue shall prepare and certify to the
6 Comptroller the amount of money to be disbursed from the Local
7 Cannabis Retailers' Occupation Tax Trust Fund to counties from
8 which retailers have paid taxes or penalties under this
9 Section during the second preceding calendar month. The amount
10 to be paid to each county shall be the amount (not including
11 credit memoranda) collected under this Section from sales made
12 in the county during the second preceding calendar month, plus
13 an amount the Department of Revenue determines is necessary to
14 offset any amounts that were erroneously paid to a different
15 taxing body, and not including an amount equal to the amount of
16 refunds made during the second preceding calendar month by the
17 Department on behalf of such county, and not including any
18 amount that the Department determines is necessary to offset
19 any amounts that were payable to a different taxing body but
20 were erroneously paid to the county, less 1.5% of the
21 remainder, which the Department shall transfer into the Tax
22 Compliance and Administration Fund. The Department, at the
23 time of each monthly disbursement to the counties, shall
24 prepare and certify the State Comptroller the amount to be
25 transferred into the Tax Compliance and Administration Fund
26 under this Section. Within 10 days after receipt by the

1 Comptroller of the disbursement certification to the counties
2 and the Tax Compliance and Administration Fund provided for in
3 this Section to be given to the Comptroller by the Department,
4 the Comptroller shall cause the orders to be drawn for the
5 respective amounts in accordance with the directions contained
6 in the certification.

7 (f) An ordinance or resolution imposing or discontinuing a
8 tax under this Section or effecting a change in the rate
9 thereof that is adopted on or after June 25, 2019 (the
10 effective date of Public Act 101-27) and for which a certified
11 copy is filed with the Department on or before April 1, 2020
12 shall be administered and enforced by the Department beginning
13 on July 1, 2020. For ordinances filed with the Department
14 after April 1, 2020, an ordinance or resolution imposing or
15 discontinuing a tax under this Section or effecting a change
16 in the rate thereof shall either (i) be adopted and a certified
17 copy thereof filed with the Department on or before the first
18 day of April, whereupon the Department shall proceed to
19 administer and enforce this Section as of the first day of July
20 next following the adoption and filing; or (ii) be adopted and
21 a certified copy thereof filed with the Department on or
22 before the first day of October, whereupon the Department
23 shall proceed to administer and enforce this Section as of the
24 first day of January next following the adoption and filing.

25 (g) Notwithstanding any provision in this Section to the
26 contrary, if an ordinance or resolution imposing a tax under

1 this Section was adopted on or before October 1, 2020 and a
2 certified copy thereof was filed with the Department of
3 Revenue on or before November 1, 2020, then the Department
4 shall proceed to administer and enforce this Section as of May
5 1, 2021 for such ordinances or resolutions.

6 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
7 101-593, eff. 12-4-19; 102-2, eff. 4-2-21.)

8 (55 ILCS 5/5-1006.9)

9 Sec. 5-1006.9. County Grocery Occupation Tax Law.

10 (a) The corporate authorities of any county may, by
11 ordinance or resolution that takes effect on or after January
12 1, 2026, impose a tax upon all persons engaged in the business
13 of selling groceries at retail in the county, but outside of
14 any municipality, on the gross receipts from those sales made
15 in the course of that business. If imposed, the tax shall be at
16 the rate of 1% of the gross receipts from these sales.

17 The tax imposed by a county under this subsection and all
18 civil penalties that may be assessed as an incident of the tax
19 shall be collected and enforced by the Department. The
20 certificate of registration that is issued by the Department
21 to a retailer under the Retailers' Occupation Tax Act shall
22 permit the retailer to engage in a business that is taxable
23 under any ordinance or resolution enacted under this
24 subsection without registering separately with the Department
25 under that ordinance or resolution or under this subsection.

1 The Department shall have full power to administer and
2 enforce this subsection; to collect all taxes and penalties
3 due under this subsection; to dispose of taxes and penalties
4 so collected in the manner provided in this Section and under
5 rules adopted by the Department; and to determine all rights
6 to credit memoranda arising on account of the erroneous
7 payment of tax or penalty under this subsection.

8 In the administration of, and compliance with, this
9 subsection, the Department and persons who are subject to this
10 subsection shall have the same rights, remedies, privileges,
11 immunities, powers, and duties, and be subject to the same
12 conditions, restrictions, limitations, penalties and
13 definitions of terms, and employ the same modes of procedure,
14 as are prescribed in Sections 1, 2 through 2-65 (in respect to
15 all provisions therein other than the State rate of tax and
16 other than the exemption for food for human consumption that
17 is to be consumed off the premises where it is sold (other than
18 alcoholic liquor taxable under Section 8-1 of the Liquor
19 Control Act of 1934 ~~beverages~~, food consisting of or infused
20 with adult use cannabis, soft drinks, candy, and food that has
21 been prepared for immediate consumption), which is authorized
22 to be taxed as provided in this subsection), 2c, 3 (except as
23 to the disposition of taxes and penalties collected), 4, 5,
24 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
25 10, 11, 11a, 12 and 13 of the Retailers' Occupation Tax Act and
26 all of the Uniform Penalty and Interest Act, as fully as if

1 those provisions were set forth in this Section.

2 Persons subject to any tax imposed under the authority
3 granted in this subsection may reimburse themselves for their
4 seller's tax liability hereunder by separately stating that
5 tax as an additional charge, which charge may be stated in
6 combination, in a single amount, with State tax that sellers
7 are required to collect under the Use Tax Act, pursuant to such
8 bracket schedules as the Department may prescribe.

9 (b) If a tax has been imposed under subsection (a), then a
10 service occupation tax must also be imposed ~~at the same rate~~
11 upon all persons engaged, in the county but outside of a
12 municipality, in the business of making sales of service, at
13 the same rate of tax imposed under subsection (a), on the
14 selling price of all ~~who, as an incident to making those sales~~
15 ~~of service, transfer~~ groceries, as defined in this Section,
16 transferred by the serviceman as an incident to a sale of
17 service.

18 The tax imposed under this subsection and all civil
19 penalties that may be assessed as an incident thereof shall be
20 collected and enforced by the Department. The certificate of
21 registration that is issued by the Department to a retailer
22 under the Retailers' Occupation Tax Act or the Service
23 Occupation Tax Act shall permit the registrant to engage in a
24 business that is taxable under any ordinance or resolution
25 enacted pursuant to this subsection without registering
26 separately with the Department under the ordinance or

1 resolution or under this subsection.

2 The Department shall have full power to administer and
3 enforce this subsection, to collect all taxes and penalties
4 due under this subsection, to dispose of taxes and penalties
5 so collected in the manner provided in this Section and under
6 rules adopted by the Department, and to determine all rights
7 to credit memoranda arising on account of the erroneous
8 payment of a tax or penalty under this subsection.

9 In the administration of and compliance with this
10 subsection, the Department and persons who are subject to this
11 subsection shall have the same rights, remedies, privileges,
12 immunities, powers and duties, and be subject to the same
13 conditions, restrictions, limitations, penalties and
14 definitions of terms, and employ the same modes of procedure
15 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
16 to all provisions contained in those Sections other than: (i)
17 the State rate of tax; (ii) the exemption for food for human
18 consumption that is to be consumed off the premises where it is
19 sold (other than alcoholic liquor taxable under Section 8-1 of
20 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
21 or infused with adult use cannabis, soft drinks, candy, and
22 food that has been prepared for immediate consumption), which
23 is authorized to be taxed as provided in this subsection; and
24 (iii) the exemption for food prepared for immediate
25 consumption and transferred incident to a sale of service
26 subject to the Service Occupation Tax Act or the Service Use

1 Tax Act by an entity licensed under the Hospital Licensing
2 Act, the Nursing Home Care Act, the Assisted Living and Shared
3 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
4 Specialized Mental Health Rehabilitation Act of 2013, or the
5 Child Care Act of 1969, or an entity that holds a permit issued
6 pursuant to the Life Care Facilities Act, which is authorized
7 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
8 (except as to the disposition of taxes and penalties
9 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
10 Service Occupation Tax Act and all provisions of the Uniform
11 Penalty and Interest Act, as fully as if those provisions were
12 set forth in this Section.

13 Persons subject to any tax imposed under the authority
14 granted in this subsection may reimburse themselves for their
15 serviceman's tax liability by separately stating the tax as an
16 additional charge, which may be stated in combination, in a
17 single amount, with State tax that servicemen are authorized
18 to collect under the Service Use Tax Act, pursuant to any
19 bracketed schedules set forth by the Department.

20 (c) The Department shall immediately pay over to the State
21 Treasurer, ex officio, as trustee, all taxes and penalties
22 collected under this Section. Those taxes and penalties shall
23 be deposited into the County Grocery Tax Trust Fund, a trust
24 fund created in the State treasury. Except as otherwise
25 provided in this Section, moneys in the County Grocery Tax
26 Trust Fund shall be used to make payments to counties and for

1 the payment of refunds under this Section.

2 Moneys deposited into the County Grocery Tax Trust Fund
3 under this Section are not subject to appropriation and shall
4 be used as provided in this Section. All deposits into the
5 County Grocery Tax Trust Fund shall be held in the County
6 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
7 trustee separate and apart from all public moneys or funds of
8 this State.

9 Whenever the Department determines that a refund should be
10 made under this Section to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified and to the person named in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the County Grocery Tax Trust Fund.

16 (d) As soon as possible after the first day of each month,
17 upon certification of the Department, the Comptroller shall
18 order transferred, and the Treasurer shall transfer, to the
19 STAR Bonds Revenue Fund the local sales tax increment, if any,
20 as defined in the Innovation Development and Economy Act,
21 collected under this Section.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 if any, on or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to named counties, the
26 counties to be those from which retailers have paid taxes or

1 penalties under this Section to the Department during the
2 second preceding calendar month. The amount to be paid to each
3 county shall be the amount (not including credit memoranda)
4 collected under this Section during the second preceding
5 calendar month by the Department plus an amount the Department
6 determines is necessary to offset any amounts that were
7 erroneously paid to a different taxing body, and not including
8 an amount equal to the amount of refunds made during the second
9 preceding calendar month by the Department on behalf of such
10 county, and not including any amount that the Department
11 determines is necessary to offset any amounts that were
12 payable to a different taxing body but were erroneously paid
13 to the county, and not including any amounts that are
14 transferred to the STAR Bonds Revenue Fund. Within 10 days
15 after receipt by the Comptroller of the disbursement
16 certification to the counties provided for in this Section to
17 be given to the Comptroller by the Department, the Comptroller
18 shall cause the orders to be drawn for the amounts in
19 accordance with the directions contained in the certification.

20 (e) Nothing in this Section shall be construed to
21 authorize a county to impose a tax upon the privilege of
22 engaging in any business which under the Constitution of the
23 United States may not be made the subject of taxation by this
24 State.

25 (f) Except as otherwise provided in this subsection, an
26 ordinance or resolution imposing or discontinuing the tax

1 hereunder or effecting a change in the rate thereof shall
2 either (i) be adopted and a certified copy thereof filed with
3 the Department on or before the first day of April, whereupon
4 the Department shall proceed to administer and enforce this
5 Section as of the first day of July next following the adoption
6 and filing, or (ii) be adopted and a certified copy thereof
7 filed with the Department on or before the first day of
8 October, whereupon the Department shall proceed to administer
9 and enforce this Section as of the first day of January next
10 following the adoption and filing.

11 (g) When certifying the amount of a monthly disbursement
12 to a county under this Section, the Department shall increase
13 or decrease the amount by an amount necessary to offset any
14 misallocation of previous disbursements. The offset amount
15 shall be the amount erroneously disbursed within the previous
16 6 months from the time a misallocation is discovered.

17 (h) As used in this Section, "Department" means the
18 Department of Revenue.

19 For purposes of the tax authorized to be imposed under
20 subsection (a), "groceries" has the same meaning as "food for
21 human consumption that is to be consumed off the premises
22 where it is sold (other than alcoholic liquor taxable under
23 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
24 consisting of or infused with adult use cannabis, soft drinks,
25 candy, and food that has been prepared for immediate
26 consumption)", as further defined in Section 2-10 of the

1 Retailers' Occupation Tax Act.

2 For purposes of the tax authorized to be imposed under
3 subsection (b), "groceries" has the same meaning as "food for
4 human consumption that is to be consumed off the premises
5 where it is sold (other than alcoholic liquor taxable under
6 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
7 consisting of or infused with adult use cannabis, soft drinks,
8 candy, and food that has been prepared for immediate
9 consumption)", as further defined in Section 3-10 of the
10 Service Occupation Tax Act.

11 For purposes of the tax authorized to be imposed under
12 subsection (b), "groceries" also means food prepared for
13 immediate consumption and transferred incident to a sale of
14 service subject to the Service Occupation Tax Act or the
15 Service Use Tax Act by an entity licensed under the Hospital
16 Licensing Act, the Nursing Home Care Act, the Assisted Living
17 and Shared Housing Act, the ID/DD Community Care Act, the
18 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
19 2013, or the Child Care Act of 1969, or an entity that holds a
20 permit issued pursuant to the Life Care Facilities Act.

21 (i) This Section may be referred to as the County Grocery
22 Occupation Tax Law.

23 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

24 (55 ILCS 5/5-1008.5)

25 Sec. 5-1008.5. Use and occupation taxes.

1 (a) The Rock Island County Board may adopt a resolution
2 that authorizes a referendum on the question of whether the
3 county shall be authorized to impose a retailers' occupation
4 tax, a service occupation tax, and a use tax at a rate of 1/4
5 of 1% on behalf of the economic development activities of Rock
6 Island County and communities located within the county. The
7 county board shall certify the question to the proper election
8 authorities who shall submit the question to the voters of the
9 county at the next regularly scheduled election in accordance
10 with the general election law. The question shall be in
11 substantially the following form:

12 Shall Rock Island County be authorized to impose a
13 retailers' occupation tax, a service occupation tax, and a
14 use tax at the rate of 1/4 of 1% for the sole purpose of
15 economic development activities, including creation and
16 retention of job opportunities, support of affordable
17 housing opportunities, and enhancement of quality of life
18 improvements?

19 Votes shall be recorded as "yes" or "no". If a majority of
20 all votes cast on the proposition are in favor of the
21 proposition, the county is authorized to impose the tax.

22 (b) The county shall impose the retailers' occupation tax
23 upon all persons engaged in the business of selling tangible
24 personal property at retail in the county, at the rate
25 approved by referendum, on the gross receipts from the sales
26 made in the course of those businesses within the county. This

1 additional tax may not be imposed on tangible personal
2 property taxed at the 1% rate under the Retailers' Occupation
3 Tax Act. Beginning December 1, 2019, this tax is not imposed on
4 sales of aviation fuel unless the tax revenue is expended for
5 airport-related purposes. If the county does not have an
6 airport-related purpose to which it dedicates aviation fuel
7 tax revenue, then aviation fuel is excluded from the tax. The
8 county must comply with the certification requirements for
9 airport-related purposes under Section 2-22 of the Retailers'
10 Occupation Tax Act. For purposes of this Section,
11 "airport-related purposes" has the meaning ascribed in Section
12 6z-20.2 of the State Finance Act. This exclusion for aviation
13 fuel only applies for so long as the revenue use requirements
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
15 county. The tax imposed under this Section and all civil
16 penalties that may be assessed as an incident of the tax shall
17 be collected and enforced by the Department of Revenue. The
18 Department has full power to administer and enforce this
19 Section; to collect all taxes and penalties so collected in
20 the manner provided in this Section; and to determine all
21 rights to credit memoranda arising on account of the erroneous
22 payment of tax or penalty under this Section. In the
23 administration of, and compliance with, this Section, the
24 Department and persons who are subject to this Section shall
25 (i) have the same rights, remedies, privileges, immunities,
26 powers and duties, (ii) be subject to the same conditions,

1 restrictions, limitations, penalties, exclusions, exemptions,
2 and definitions of terms, and (iii) employ the same modes of
3 procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
4 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to
5 all provisions other than the State rate of tax), 2-15 through
6 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and
7 penalties collected and provisions related to quarter monthly
8 payments, and except that the retailer's discount is not
9 allowed for taxes paid on aviation fuel that are subject to the
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
11 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 5m,
12 5n, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the
13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
14 Penalty and Interest Act, as fully as if those provisions were
15 set forth in this subsection.

16 Persons subject to any tax imposed under this subsection
17 may reimburse themselves for their seller's tax liability by
18 separately stating the tax as an additional charge, which
19 charge may be stated in combination, in a single amount, with
20 State taxes that sellers are required to collect, in
21 accordance with bracket schedules prescribed by the
22 Department.

23 Whenever the Department determines that a refund should be
24 made under this subsection to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the warrant to be drawn for the

1 amount specified, and to the person named, in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the tax fund referenced under paragraph (g)
4 of this Section or the Local Government Aviation Trust Fund,
5 as appropriate.

6 If a tax is imposed under this subsection (b), a tax shall
7 also be imposed at the same rate under subsections (c) and (d)
8 of this Section.

9 For the purpose of determining whether a tax authorized
10 under this Section is applicable, a retail sale, by a producer
11 of coal or another mineral mined in Illinois, is a sale at
12 retail at the place where the coal or other mineral mined in
13 Illinois is extracted from the earth. This paragraph does not
14 apply to coal or another mineral when it is delivered or
15 shipped by the seller to the purchaser at a point outside
16 Illinois so that the sale is exempt under the federal
17 Constitution as a sale in interstate or foreign commerce.

18 Nothing in this Section shall be construed to authorize
19 the county to impose a tax upon the privilege of engaging in
20 any business that under the Constitution of the United States
21 may not be made the subject of taxation by this State.

22 (c) If a tax has been imposed under subsection (b), a
23 service occupation tax shall also be imposed at the same rate
24 upon all persons engaged, in the county, in the business of
25 making sales of service, who, as an incident to making those
26 sales of service, transfer tangible personal property within

1 the county as an incident to a sale of service. This additional
2 tax may not be imposed on tangible personal property taxed at
3 the 1% rate under the Service Occupation Tax Act. Beginning
4 December 1, 2019, this tax is not imposed on sales of aviation
5 fuel unless the tax revenue is expended for airport-related
6 purposes. If the county does not have an airport-related
7 purpose to which it dedicates aviation fuel tax revenue, then
8 aviation fuel is excluded from the tax. The county must comply
9 with the certification requirements for airport-related
10 purposes under Section 2-22 of the Retailers' Occupation Tax
11 Act. For purposes of this Section, "airport-related purposes"
12 has the meaning ascribed in Section 6z-20.2 of the State
13 Finance Act. This exclusion for aviation fuel only applies for
14 so long as the revenue use requirements of 49 U.S.C. 47107(b)
15 and 49 U.S.C. 47133 are binding on the county. The tax imposed
16 under this subsection and all civil penalties that may be
17 assessed as an incident of the tax shall be collected and
18 enforced by the Department of Revenue. The Department has full
19 power to administer and enforce this paragraph; to collect all
20 taxes and penalties due under this Section; to dispose of
21 taxes and penalties so collected in the manner provided in
22 this Section; and to determine all rights to credit memoranda
23 arising on account of the erroneous payment of tax or penalty
24 under this Section. In the administration of, and compliance
25 with this paragraph, the Department and persons who are
26 subject to this paragraph shall (i) have the same rights,

1 remedies, privileges, immunities, powers, and duties, (ii) be
2 subject to the same conditions, restrictions, limitations,
3 penalties, exclusions, exemptions, and definitions of terms,
4 and (iii) employ the same modes of procedure as are prescribed
5 in Sections 2 (except that the reference to State in the
6 definition of supplier maintaining a place of business in this
7 State shall mean the county), 2a, 2b, 3 through 3-55 (in
8 respect to all provisions other than the State rate of tax), 4
9 (except that the reference to the State shall be to the
10 county), 5, 7, 8 (except that the jurisdiction to which the tax
11 shall be a debt to the extent indicated in that Section 8 shall
12 be the county), 9 (except as to the disposition of taxes and
13 penalties collected, and except that the returned merchandise
14 credit for this tax may not be taken against any State tax, and
15 except that the retailer's discount is not allowed for taxes
16 paid on aviation fuel that are subject to the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,
18 12 (except the reference to Section 2b of the Retailers'
19 Occupation Tax Act), 13 (except that any reference to the
20 State shall mean the county), 15, 16, 17, 18, 19 and 20 of the
21 Service Occupation Tax Act and Section 3-7 of the Uniform
22 Penalty and Interest Act, as fully as if those provisions were
23 set forth in this subsection.

24 Persons subject to any tax imposed under the authority
25 granted in this subsection may reimburse themselves for their
26 serviceman's tax liability by separately stating the tax as an

1 additional charge, which charge may be stated in combination,
2 in a single amount, with State tax that servicemen are
3 authorized to collect under the Service Use Tax Act, in
4 accordance with bracket schedules prescribed by the
5 Department.

6 Whenever the Department determines that a refund should be
7 made under this subsection to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the warrant to be drawn for the
10 amount specified, and to the person named, in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of the tax fund referenced under paragraph (g)
13 of this Section or the Local Government Aviation Trust Fund,
14 as appropriate.

15 Nothing in this paragraph shall be construed to authorize
16 the county to impose a tax upon the privilege of engaging in
17 any business that under the Constitution of the United States
18 may not be made the subject of taxation by the State.

19 (c-5) If, on January 1, 2025, a unit of local government
20 has in effect a tax under this Section, or if, after January 1,
21 2025, a unit of local government imposes a tax under this
22 Section, then that tax applies to leases of tangible personal
23 property in effect, entered into, or renewed on or after that
24 date in the same manner as the tax under this Section and in
25 accordance with the changes made by this amendatory Act of the
26 103rd General Assembly.

1 (d) If a tax has been imposed under subsection (b), a use
2 tax shall also be imposed at the same rate upon the privilege
3 of using, in the county, any item of tangible personal
4 property that is purchased outside the county at retail from a
5 retailer, and that is titled or registered at a location
6 within the county with an agency of this State's government.
7 "Selling price" is defined as in the Use Tax Act. The tax shall
8 be collected from persons whose Illinois address for titling
9 or registration purposes is given as being in the county. The
10 tax shall be collected by the Department of Revenue for the
11 county. The tax must be paid to the State, or an exemption
12 determination must be obtained from the Department of Revenue,
13 before the title or certificate of registration for the
14 property may be issued. The tax or proof of exemption may be
15 transmitted to the Department by way of the State agency with
16 which, or the State officer with whom, the tangible personal
17 property must be titled or registered if the Department and
18 the State agency or State officer determine that this
19 procedure will expedite the processing of applications for
20 title or registration.

21 The Department has full power to administer and enforce
22 this paragraph; to collect all taxes, penalties, and interest
23 due under this Section; to dispose of taxes, penalties, and
24 interest so collected in the manner provided in this Section;
25 and to determine all rights to credit memoranda or refunds
26 arising on account of the erroneous payment of tax, penalty,

1 or interest under this Section. In the administration of, and
2 compliance with, this subsection, the Department and persons
3 who are subject to this paragraph shall (i) have the same
4 rights, remedies, privileges, immunities, powers, and duties,
5 (ii) be subject to the same conditions, restrictions,
6 limitations, penalties, exclusions, exemptions, and
7 definitions of terms, and (iii) employ the same modes of
8 procedure as are prescribed in Sections 2 (except the
9 definition of "retailer maintaining a place of business in
10 this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a,
11 4, 6, 7, 8 (except that the jurisdiction to which the tax shall
12 be a debt to the extent indicated in that Section 8 shall be
13 the county), 9 (except provisions relating to quarter monthly
14 payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22
15 of the Use Tax Act and Section 3-7 of the Uniform Penalty and
16 Interest Act, that are not inconsistent with this paragraph,
17 as fully as if those provisions were set forth in this
18 subsection.

19 Whenever the Department determines that a refund should be
20 made under this subsection to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the order to be drawn for the
23 amount specified, and to the person named, in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of the tax fund referenced under paragraph (g)
26 of this Section.

1 (e) A certificate of registration issued by the State
2 Department of Revenue to a retailer under the Retailers'
3 Occupation Tax Act or under the Service Occupation Tax Act
4 shall permit the registrant to engage in a business that is
5 taxed under the tax imposed under paragraphs (b), (c), or (d)
6 of this Section and no additional registration shall be
7 required. A certificate issued under the Use Tax Act or the
8 Service Use Tax Act shall be applicable with regard to any tax
9 imposed under paragraph (c) of this Section.

10 (f) The results of any election authorizing a proposition
11 to impose a tax under this Section or effecting a change in the
12 rate of tax shall be certified by the proper election
13 authorities and filed with the Illinois Department on or
14 before the first day of October. In addition, an ordinance
15 imposing, discontinuing, or effecting a change in the rate of
16 tax under this Section shall be adopted and a certified copy of
17 the ordinance filed with the Department on or before the first
18 day of October. After proper receipt of the certifications,
19 the Department shall proceed to administer and enforce this
20 Section as of the first day of January next following the
21 adoption and filing.

22 (g) Except as otherwise provided in paragraph (g-2), the
23 Department of Revenue shall, upon collecting any taxes and
24 penalties as provided in this Section, pay the taxes and
25 penalties over to the State Treasurer as trustee for the
26 county. The taxes and penalties shall be held in a trust fund

1 outside the State Treasury. On or before the 25th day of each
2 calendar month, the Department of Revenue shall prepare and
3 certify to the Comptroller of the State of Illinois the amount
4 to be paid to the county, which shall be the balance in the
5 fund, less any amount determined by the Department to be
6 necessary for the payment of refunds. Within 10 days after
7 receipt by the Comptroller of the certification of the amount
8 to be paid to the county, the Comptroller shall cause an order
9 to be drawn for payment for the amount in accordance with the
10 directions contained in the certification. Amounts received
11 from the tax imposed under this Section shall be used only for
12 the economic development activities of the county and
13 communities located within the county.

14 (g-2) Taxes and penalties collected on aviation fuel sold
15 on or after December 1, 2019, shall be immediately paid over by
16 the Department to the State Treasurer, ex officio, as trustee,
17 for deposit into the Local Government Aviation Trust Fund. The
18 Department shall only pay moneys into the Local Government
19 Aviation Trust Fund under this Section for so long as the
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
21 47133 are binding on the county.

22 (h) When certifying the amount of a monthly disbursement
23 to the county under this Section, the Department shall
24 increase or decrease the amounts by an amount necessary to
25 offset any miscalculation of previous disbursements. The
26 offset amount shall be the amount erroneously disbursed within

1 the previous 6 months from the time a miscalculation is
2 discovered.

3 (i) This Section may be cited as the Rock Island County Use
4 and Occupation Tax Law.

5 (Source: P.A. 103-592, eff. 1-1-25.)

6 (55 ILCS 5/5-12001) (from Ch. 34, par. 5-12001)

7 Sec. 5-12001. Authority to regulate and restrict location
8 and use of structures. For the purpose of promoting the public
9 health, safety, morals, comfort and general welfare,
10 conserving the values of property throughout the county,
11 lessening or avoiding congestion in the public streets and
12 highways, and lessening or avoiding the hazards to persons and
13 damage to property resulting from the accumulation or runoff
14 of storm or flood waters, the county board or board of county
15 commissioners, as the case may be, of each county, shall have
16 the power to regulate and restrict the location and use of
17 buildings, structures and land for trade, industry, residence
18 and other uses which may be specified by such board, to
19 regulate and restrict the intensity of such uses, to establish
20 building or setback lines on or along any street, trafficway,
21 drive, parkway or storm or floodwater runoff channel or basin
22 outside the limits of cities, villages and incorporated towns
23 which have in effect municipal zoning ordinances; to divide
24 the entire county outside the limits of such cities, villages
25 and incorporated towns into districts of such number, shape,

1 area and of such different classes, according to the use of
2 land and buildings, the intensity of such use (including
3 height of buildings and structures and surrounding open space)
4 and other classification as may be deemed best suited to carry
5 out the purposes of this Division; to prohibit uses, buildings
6 or structures incompatible with the character of such
7 districts respectively; and to prevent additions to and
8 alteration or remodeling of existing buildings or structures
9 in such a way as to avoid the restrictions and limitations
10 lawfully imposed hereunder: Provided, that permits with
11 respect to the erection, maintenance, repair, alteration,
12 remodeling or extension of buildings or structures used or to
13 be used for agricultural purposes shall be issued free of any
14 charge. The corporate authorities of the county may by
15 ordinance require the construction of fences around or
16 protective covers over previously constructed artificial
17 basins of water dug in the ground and used for swimming or
18 wading, which are located on private residential property and
19 intended for the use of the owner and guests. In all ordinances
20 or resolutions passed under the authority of this Division,
21 due allowance shall be made for existing conditions, the
22 conservation of property values, the directions of building
23 development to the best advantage of the entire county, and
24 the uses to which property is devoted at the time of the
25 enactment of any such ordinance or resolution.

26 The powers by this Division given shall not be exercised

1 so as to deprive the owner of any existing property of its use
2 or maintenance for the purpose to which it is then lawfully
3 devoted, but provisions may be made for (i) the gradual
4 elimination of the uses of unimproved lands or lot areas when
5 the existing rights of the persons in possession are
6 terminated or when the uses to which they are devoted are
7 discontinued, (ii) the gradual elimination of uses to which
8 the buildings and structures are devoted if they are adaptable
9 to permitted uses, and (iii) the gradual elimination of the
10 buildings and structures when they are destroyed or damaged in
11 major part; nor shall they be exercised so as to impose
12 regulations, eliminate uses, buildings, or structures, or
13 require permits with respect to land used for agricultural
14 purposes, which includes the growing of farm crops, truck
15 garden crops, animal and poultry husbandry, apiculture,
16 aquaculture, dairying, floriculture, horticulture, nurseries,
17 tree farms, sod farms, pasturage, viticulture, and wholesale
18 greenhouses when such agricultural purposes constitute the
19 principal activity on the land, other than parcels of land
20 consisting of less than 5 acres from which \$1,000 or less of
21 agricultural products were sold in any calendar year in
22 counties with a population between 300,000 and 400,000 or in
23 counties contiguous to a county with a population between
24 300,000 and 400,000, and other than parcels of land consisting
25 of less than 5 acres in counties with a population in excess of
26 400,000, or with respect to the erection, maintenance, repair,

1 alteration, remodeling or extension of buildings or structures
2 used or to be used for agricultural purposes upon such land
3 except that such buildings or structures for agricultural
4 purposes may be required to conform to building or set back
5 lines and counties may establish a minimum lot size for
6 residences on land used for agricultural purposes; nor shall
7 any such powers be so exercised as to prohibit the temporary
8 use of land for the installation, maintenance and operation of
9 facilities used by contractors in the ordinary course of
10 construction activities, except that such facilities may be
11 required to be located not less than 1,000 feet from any
12 building used for residential purposes, and except that the
13 period of such temporary use shall not exceed the duration of
14 the construction contract; nor shall any such powers include
15 the right to specify or regulate the type or location of any
16 poles, towers, wires, cables, conduits, vaults, laterals or
17 any other similar distributing equipment of a public utility
18 as defined in the Public Utilities Act, if the public utility
19 is subject to ~~the Messages Tax Act,~~ the Gas Revenue Tax Act or
20 the Public Utilities Revenue Act~~,~~ or if such facilities or
21 equipment are located on any rights of way and are used for
22 railroad purposes, nor shall any such powers be exercised with
23 respect to uses, buildings, or structures of a public utility
24 as defined in the Public Utilities Act, nor shall any such
25 powers be exercised in any respect as to the facilities, as
26 defined in Section 5-12001.1, of a telecommunications carrier,

1 as also defined therein, except to the extent and in the manner
2 set forth in Section 5-12001.1. As used in this Act,
3 "agricultural purposes" do not include the extraction of sand,
4 gravel or limestone, and such activities may be regulated by
5 county zoning ordinance even when such activities are related
6 to an agricultural purpose.

7 Nothing in this Division shall be construed to restrict
8 the powers granted by statute to cities, villages and
9 incorporated towns as to territory contiguous to but outside
10 of the limits of such cities, villages and incorporated towns.
11 Any zoning ordinance enacted by a city, village or
12 incorporated town shall supersede, with respect to territory
13 within the corporate limits of the municipality, any county
14 zoning plan otherwise applicable. The powers granted to
15 counties by this Division shall be treated as in addition to
16 powers conferred by statute to control or approve maps, plats
17 or subdivisions. In this Division, "agricultural purposes"
18 include, without limitation, the growing, developing,
19 processing, conditioning, or selling of hybrid seed corn, seed
20 beans, seed oats, or other farm seeds.

21 Nothing in this Division shall be construed to prohibit
22 the corporate authorities of a county from adopting an
23 ordinance that exempts pleasure driveways or park districts,
24 as defined in the Park District Code, with a population of
25 greater than 100,000, from the exercise of the county's powers
26 under this Division.

1 The powers granted by this Division may be used to require
2 the creation and preservation of affordable housing, including
3 the power to provide increased density or other zoning
4 incentives to developers who are creating, establishing, or
5 preserving affordable housing.

6 (Source: P.A. 94-303, eff. 7-21-05.)

7 Section 70-75. The Illinois Municipal Code is amended by
8 changing Sections 8-11-1, 8-11-1.3, 8-11-1.6, 8-11-23,
9 8-11-24, and 11-74.3-6 as follows:

10 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

11 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
12 Act. The corporate authorities of a home rule municipality may
13 impose a tax upon all persons engaged in the business of
14 selling tangible personal property, other than an item of
15 tangible personal property titled or registered with an agency
16 of this State's government, at retail in the municipality on
17 the gross receipts from these sales made in the course of such
18 business. If imposed, the tax shall only be imposed in 1/4%
19 increments. On and after September 1, 1991, this additional
20 tax may not be imposed on tangible personal property taxed at
21 the 1% rate under the Retailers' Occupation Tax Act (or at the
22 0% rate imposed under this amendatory Act of the 102nd General
23 Assembly). Beginning December 1, 2019, this tax is not imposed
24 on sales of aviation fuel unless the tax revenue is expended

1 for airport-related purposes. If a municipality does not have
2 an airport-related purpose to which it dedicates aviation fuel
3 tax revenue, then aviation fuel is excluded from the tax. Each
4 municipality must comply with the certification requirements
5 for airport-related purposes under Section 2-22 of the
6 Retailers' Occupation Tax Act. For purposes of this Section,
7 "airport-related purposes" has the meaning ascribed in Section
8 6z-20.2 of the State Finance Act. This exclusion for aviation
9 fuel only applies for so long as the revenue use requirements
10 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
11 municipality. The changes made to this Section by this
12 amendatory Act of the 101st General Assembly are a denial and
13 limitation of home rule powers and functions under subsection
14 (g) of Section 6 of Article VII of the Illinois Constitution.
15 The tax imposed by a home rule municipality under this Section
16 and all civil penalties that may be assessed as an incident of
17 the tax shall be collected and enforced by the State
18 Department of Revenue. The certificate of registration that is
19 issued by the Department to a retailer under the Retailers'
20 Occupation Tax Act shall permit the retailer to engage in a
21 business that is taxable under any ordinance or resolution
22 enacted pursuant to this Section without registering
23 separately with the Department under such ordinance or
24 resolution or under this Section. The Department shall have
25 full power to administer and enforce this Section; to collect
26 all taxes and penalties due hereunder; to dispose of taxes and

1 penalties so collected in the manner hereinafter provided; and
2 to determine all rights to credit memoranda arising on account
3 of the erroneous payment of tax or penalty hereunder. In the
4 administration of, and compliance with, this Section the
5 Department and persons who are subject to this Section shall
6 have the same rights, remedies, privileges, immunities, powers
7 and duties, and be subject to the same conditions,
8 restrictions, limitations, penalties and definitions of terms,
9 and employ the same modes of procedure, as are prescribed in
10 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
11 (in respect to all provisions therein other than the State
12 rate of tax), 2c, 3 (except as to the disposition of taxes and
13 penalties collected, and except that the retailer's discount
14 is not allowed for taxes paid on aviation fuel that are subject
15 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j,
17 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of
18 the Retailers' Occupation Tax Act and Section 3-7 of the
19 Uniform Penalty and Interest Act, as fully as if those
20 provisions were set forth herein.

21 No tax may be imposed by a home rule municipality under
22 this Section unless the municipality also imposes a tax at the
23 same rate under Section 8-11-5 of this Act.

24 If, on January 1, 2025, a unit of local government has in
25 effect a tax under this Section, or if, after January 1, 2025,
26 a unit of local government imposes a tax under this Section,

1 then that tax applies to leases of tangible personal property
2 in effect, entered into, or renewed on or after that date in
3 the same manner as the tax under this Section and in accordance
4 with the changes made by this amendatory Act of the 103rd
5 General Assembly.

6 Persons subject to any tax imposed under the authority
7 granted in this Section may reimburse themselves for their
8 seller's tax liability hereunder by separately stating that
9 tax as an additional charge, which charge may be stated in
10 combination, in a single amount, with State tax which sellers
11 are required to collect under the Use Tax Act, pursuant to such
12 bracket schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the home rule municipal retailers' occupation
20 tax fund or the Local Government Aviation Trust Fund, as
21 appropriate.

22 Except as otherwise provided in this paragraph, the
23 Department shall immediately pay over to the State Treasurer,
24 ex officio, as trustee, all taxes and penalties collected
25 hereunder for deposit into the Home Rule Municipal Retailers'
26 Occupation Tax Fund. Taxes and penalties collected on aviation

1 fuel sold on or after December 1, 2019, shall be immediately
2 paid over by the Department to the State Treasurer, ex
3 officio, as trustee, for deposit into the Local Government
4 Aviation Trust Fund. The Department shall only pay moneys into
5 the Local Government Aviation Trust Fund under this Section
6 for so long as the revenue use requirements of 49 U.S.C.
7 47107(b) and 49 U.S.C. 47133 are binding on the State.

8 As soon as possible after the first day of each month,
9 beginning January 1, 2011, upon certification of the
10 Department of Revenue, the Comptroller shall order
11 transferred, and the Treasurer shall transfer, to the STAR
12 Bonds Revenue Fund the local sales tax increment, as defined
13 in the Innovation Development and Economy Act, collected under
14 this Section during the second preceding calendar month for
15 sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 on or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named municipalities,
20 the municipalities to be those from which retailers have paid
21 taxes or penalties hereunder to the Department during the
22 second preceding calendar month. The amount to be paid to each
23 municipality shall be the amount (not including credit
24 memoranda and not including taxes and penalties collected on
25 aviation fuel sold on or after December 1, 2019) collected
26 hereunder during the second preceding calendar month by the

1 Department plus an amount the Department determines is
2 necessary to offset any amounts that were erroneously paid to
3 a different taxing body, and not including an amount equal to
4 the amount of refunds made during the second preceding
5 calendar month by the Department on behalf of such
6 municipality, and not including any amount that the Department
7 determines is necessary to offset any amounts that were
8 payable to a different taxing body but were erroneously paid
9 to the municipality, and not including any amounts that are
10 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
11 remainder, which the Department shall transfer into the Tax
12 Compliance and Administration Fund. The Department, at the
13 time of each monthly disbursement to the municipalities, shall
14 prepare and certify to the State Comptroller the amount to be
15 transferred into the Tax Compliance and Administration Fund
16 under this Section. Within 10 days after receipt by the
17 Comptroller of the disbursement certification to the
18 municipalities and the Tax Compliance and Administration Fund
19 provided for in this Section to be given to the Comptroller by
20 the Department, the Comptroller shall cause the orders to be
21 drawn for the respective amounts in accordance with the
22 directions contained in the certification.

23 In addition to the disbursement required by the preceding
24 paragraph and in order to mitigate delays caused by
25 distribution procedures, an allocation shall, if requested, be
26 made within 10 days after January 14, 1991, and in November of

1 1991 and each year thereafter, to each municipality that
2 received more than \$500,000 during the preceding fiscal year,
3 (July 1 through June 30) whether collected by the municipality
4 or disbursed by the Department as required by this Section.
5 Within 10 days after January 14, 1991, participating
6 municipalities shall notify the Department in writing of their
7 intent to participate. In addition, for the initial
8 distribution, participating municipalities shall certify to
9 the Department the amounts collected by the municipality for
10 each month under its home rule occupation and service
11 occupation tax during the period July 1, 1989 through June 30,
12 1990. The allocation within 10 days after January 14, 1991,
13 shall be in an amount equal to the monthly average of these
14 amounts, excluding the 2 months of highest receipts. The
15 monthly average for the period of July 1, 1990 through June 30,
16 1991 will be determined as follows: the amounts collected by
17 the municipality under its home rule occupation and service
18 occupation tax during the period of July 1, 1990 through
19 September 30, 1990, plus amounts collected by the Department
20 and paid to such municipality through June 30, 1991, excluding
21 the 2 months of highest receipts. The monthly average for each
22 subsequent period of July 1 through June 30 shall be an amount
23 equal to the monthly distribution made to each such
24 municipality under the preceding paragraph during this period,
25 excluding the 2 months of highest receipts. The distribution
26 made in November 1991 and each year thereafter under this

1 paragraph and the preceding paragraph shall be reduced by the
2 amount allocated and disbursed under this paragraph in the
3 preceding period of July 1 through June 30. The Department
4 shall prepare and certify to the Comptroller for disbursement
5 the allocations made in accordance with this paragraph.

6 For the purpose of determining the local governmental unit
7 whose tax is applicable, a retail sale by a producer of coal or
8 other mineral mined in Illinois is a sale at retail at the
9 place where the coal or other mineral mined in Illinois is
10 extracted from the earth. This paragraph does not apply to
11 coal or other mineral when it is delivered or shipped by the
12 seller to the purchaser at a point outside Illinois so that the
13 sale is exempt under the United States Constitution as a sale
14 in interstate or foreign commerce.

15 Nothing in this Section shall be construed to authorize a
16 municipality to impose a tax upon the privilege of engaging in
17 any business which under the Constitution of the United States
18 may not be made the subject of taxation by this State.

19 An ordinance or resolution imposing or discontinuing a tax
20 hereunder or effecting a change in the rate thereof shall be
21 adopted and a certified copy thereof filed with the Department
22 on or before the first day of June, whereupon the Department
23 shall proceed to administer and enforce this Section as of the
24 first day of September next following the adoption and filing.
25 Beginning January 1, 1992, an ordinance or resolution imposing
26 or discontinuing the tax hereunder or effecting a change in

1 the rate thereof shall be adopted and a certified copy thereof
2 filed with the Department on or before the first day of July,
3 whereupon the Department shall proceed to administer and
4 enforce this Section as of the first day of October next
5 following such adoption and filing. Beginning January 1, 1993,
6 an ordinance or resolution imposing or discontinuing the tax
7 hereunder or effecting a change in the rate thereof shall be
8 adopted and a certified copy thereof filed with the Department
9 on or before the first day of October, whereupon the
10 Department shall proceed to administer and enforce this
11 Section as of the first day of January next following the
12 adoption and filing. However, a municipality located in a
13 county with a population in excess of 3,000,000 that elected
14 to become a home rule unit at the general primary election in
15 1994 may adopt an ordinance or resolution imposing the tax
16 under this Section and file a certified copy of the ordinance
17 or resolution with the Department on or before July 1, 1994.
18 The Department shall then proceed to administer and enforce
19 this Section as of October 1, 1994. Beginning April 1, 1998, an
20 ordinance or resolution imposing or discontinuing the tax
21 hereunder or effecting a change in the rate thereof shall
22 either (i) be adopted and a certified copy thereof filed with
23 the Department on or before the first day of April, whereupon
24 the Department shall proceed to administer and enforce this
25 Section as of the first day of July next following the adoption
26 and filing; or (ii) be adopted and a certified copy thereof

1 filed with the Department on or before the first day of
2 October, whereupon the Department shall proceed to administer
3 and enforce this Section as of the first day of January next
4 following the adoption and filing.

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

11 Any unobligated balance remaining in the Municipal
12 Retailers' Occupation Tax Fund on December 31, 1989, which
13 fund was abolished by Public Act 85-1135, and all receipts of
14 municipal tax as a result of audits of liability periods prior
15 to January 1, 1990, shall be paid into the Local Government Tax
16 Fund for distribution as provided by this Section prior to the
17 enactment of Public Act 85-1135. All receipts of municipal tax
18 as a result of an assessment not arising from an audit, for
19 liability periods prior to January 1, 1990, shall be paid into
20 the Local Government Tax Fund for distribution before July 1,
21 1990, as provided by this Section prior to the enactment of
22 Public Act 85-1135; and on and after July 1, 1990, all such
23 receipts shall be distributed as provided in Section 6z-18 of
24 the State Finance Act.

25 As used in this Section, "municipal" and "municipality"
26 means a city, village or incorporated town, including an

1 incorporated town that has superseded a civil township.

2 This Section shall be known and may be cited as the Home
3 Rule Municipal Retailers' Occupation Tax Act.

4 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

5 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

6 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
7 Occupation Tax Act. The corporate authorities of a non-home
8 rule municipality may impose, by ordinance or resolution
9 adopted in the manner described in Section 8-11-1.1, a tax
10 upon all persons engaged in the business of selling tangible
11 personal property, other than on an item of tangible personal
12 property which is titled and registered by an agency of this
13 State's Government, at retail in the municipality. If imposed,
14 the tax shall be imposed on the gross receipts from such sales
15 made in the course of such business. The proceeds of the tax
16 may be used for public infrastructure or for property tax
17 relief or both, as defined in Section 8-11-1.2. If the tax is
18 approved by referendum on or after July 14, 2010 (the
19 effective date of Public Act 96-1057) and before August 5,
20 2024 (the effective date of Public Act 103-781), the corporate
21 authorities of the non-home rule municipality may, until
22 January 1, 2031, use the proceeds of the tax for expenditure on
23 municipal operations, in addition to or in lieu of any
24 expenditure on public infrastructure or for property tax
25 relief. If the tax is approved by an ordinance or resolution

1 adopted on or after August 5, 2024 (the effective date of
2 Public Act 103-781), the corporate authorities of the non-home
3 rule municipality may, until January 1, 2031, use the proceeds
4 of the tax for expenditure on municipal operations, in
5 addition to or in lieu of any expenditure on public
6 infrastructure or for property tax relief. The tax imposed may
7 not be more than 1% and may be imposed only in 1/4% increments.
8 The tax may not be imposed on tangible personal property taxed
9 at the 1% rate under the Retailers' Occupation Tax Act (or at
10 the 0% rate imposed under this amendatory Act of the 102nd
11 General Assembly). Beginning December 1, 2019, this tax is not
12 imposed on sales of aviation fuel unless the tax revenue is
13 expended for airport-related purposes. If a municipality does
14 not have an airport-related purpose to which it dedicates
15 aviation fuel tax revenue, then aviation fuel is excluded from
16 the tax. Each municipality must comply with the certification
17 requirements for airport-related purposes under Section 2-22
18 of the Retailers' Occupation Tax Act. For purposes of this
19 Section, "airport-related purposes" has the meaning ascribed
20 in Section 6z-20.2 of the State Finance Act. This exclusion
21 for aviation fuel only applies for so long as the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
23 binding on the municipality. The tax imposed by a municipality
24 pursuant to this Section and all civil penalties that may be
25 assessed as an incident thereof shall be collected and
26 enforced by the State Department of Revenue. The certificate

1 of registration which is issued by the Department to a
2 retailer under the Retailers' Occupation Tax Act shall permit
3 such retailer to engage in a business which is taxable under
4 any ordinance or resolution enacted pursuant to this Section
5 without registering separately with the Department under such
6 ordinance or resolution or under this Section. The Department
7 shall have full power to administer and enforce this Section;
8 to collect all taxes and penalties due hereunder; to dispose
9 of taxes and penalties so collected in the manner hereinafter
10 provided, and to determine all rights to credit memoranda,
11 arising on account of the erroneous payment of tax or penalty
12 hereunder. In the administration of, and compliance with, this
13 Section, the Department and persons who are subject to this
14 Section shall have the same rights, remedies, privileges,
15 immunities, powers and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties and
17 definitions of terms, and employ the same modes of procedure,
18 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
19 2 through 2-65 (in respect to all provisions therein other
20 than the State rate of tax), 2c, 3 (except as to the
21 disposition of taxes and penalties collected, and except that
22 the retailer's discount is not allowed for taxes paid on
23 aviation fuel that are subject to the revenue use requirements
24 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
25 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d,
26 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act

1 and Section 3-7 of the Uniform Penalty and Interest Act as
2 fully as if those provisions were set forth herein.

3 No municipality may impose a tax under this Section unless
4 the municipality also imposes a tax at the same rate under
5 Section 8-11-1.4 of this Code.

6 If, on January 1, 2025, a unit of local government has in
7 effect a tax under this Section, or if, after January 1, 2025,
8 a unit of local government imposes a tax under this Section,
9 then that tax applies to leases of tangible personal property
10 in effect, entered into, or renewed on or after that date in
11 the same manner as the tax under this Section and in accordance
12 with the changes made by this amendatory Act of the 103rd
13 General Assembly.

14 Persons subject to any tax imposed pursuant to the
15 authority granted in this Section may reimburse themselves for
16 their seller's tax liability hereunder by separately stating
17 such tax as an additional charge, which charge may be stated in
18 combination, in a single amount, with State tax which sellers
19 are required to collect under the Use Tax Act, pursuant to such
20 bracket schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this Section to a claimant instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified, and to the person named, in such
26 notification from the Department. Such refund shall be paid by

1 the State Treasurer out of the non-home rule municipal
2 retailers' occupation tax fund or the Local Government
3 Aviation Trust Fund, as appropriate.

4 Except as otherwise provided, the Department shall
5 forthwith pay over to the State Treasurer, ex officio, as
6 trustee, all taxes and penalties collected hereunder for
7 deposit into the Non-Home Rule Municipal Retailers' Occupation
8 Tax Fund. Taxes and penalties collected on aviation fuel sold
9 on or after December 1, 2019, shall be immediately paid over by
10 the Department to the State Treasurer, ex officio, as trustee,
11 for deposit into the Local Government Aviation Trust Fund. The
12 Department shall only pay moneys into the Local Government
13 Aviation Trust Fund under this Section for so long as the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133 are binding on the municipality.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Innovation Development and Economy Act, collected under
22 this Section during the second preceding calendar month for
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,
25 on or before the 25th day of each calendar month, the
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities,
2 the municipalities to be those from which retailers have paid
3 taxes or penalties hereunder to the Department during the
4 second preceding calendar month. The amount to be paid to each
5 municipality shall be the amount (not including credit
6 memoranda and not including taxes and penalties collected on
7 aviation fuel sold on or after December 1, 2019) collected
8 hereunder during the second preceding calendar month by the
9 Department plus an amount the Department determines is
10 necessary to offset any amounts which were erroneously paid to
11 a different taxing body, and not including an amount equal to
12 the amount of refunds made during the second preceding
13 calendar month by the Department on behalf of such
14 municipality, and not including any amount which the
15 Department determines is necessary to offset any amounts which
16 were payable to a different taxing body but were erroneously
17 paid to the municipality, and not including any amounts that
18 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
19 the remainder, which the Department shall transfer into the
20 Tax Compliance and Administration Fund. The Department, at the
21 time of each monthly disbursement to the municipalities, shall
22 prepare and certify to the State Comptroller the amount to be
23 transferred into the Tax Compliance and Administration Fund
24 under this Section. Within 10 days after receipt, by the
25 Comptroller, of the disbursement certification to the
26 municipalities and the Tax Compliance and Administration Fund

1 provided for in this Section to be given to the Comptroller by
2 the Department, the Comptroller shall cause the orders to be
3 drawn for the respective amounts in accordance with the
4 directions contained in such certification.

5 For the purpose of determining the local governmental unit
6 whose tax is applicable, a retail sale, by a producer of coal
7 or other mineral mined in Illinois, is a sale at retail at the
8 place where the coal or other mineral mined in Illinois is
9 extracted from the earth. This paragraph does not apply to
10 coal or other mineral when it is delivered or shipped by the
11 seller to the purchaser at a point outside Illinois so that the
12 sale is exempt under the Federal Constitution as a sale in
13 interstate or foreign commerce.

14 Nothing in this Section shall be construed to authorize a
15 municipality to impose a tax upon the privilege of engaging in
16 any business which under the constitution of the United States
17 may not be made the subject of taxation by this State.

18 When certifying the amount of a monthly disbursement to a
19 municipality under this Section, the Department shall increase
20 or decrease such amount by an amount necessary to offset any
21 misallocation of previous disbursements. The offset amount
22 shall be the amount erroneously disbursed within the previous
23 6 months from the time a misallocation is discovered.

24 The Department of Revenue shall implement Public Act
25 91-649 so as to collect the tax on and after January 1, 2002.

26 As used in this Section, "municipal" and "municipality"

1 mean a city, village, or incorporated town, including an
2 incorporated town which has superseded a civil township.

3 This Section shall be known and may be cited as the
4 Non-Home Rule Municipal Retailers' Occupation Tax Act.

5 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25;
6 103-1055, eff. 12-20-24.)

7 (65 ILCS 5/8-11-1.6)

8 Sec. 8-11-1.6. Non-home rule municipal retailers'
9 occupation tax; municipalities between 20,000 and 25,000. The
10 corporate authorities of a non-home rule municipality with a
11 population of more than 20,000 but less than 25,000 that has,
12 prior to January 1, 1987, established a Redevelopment Project
13 Area that has been certified as a State Sales Tax Boundary and
14 has issued bonds or otherwise incurred indebtedness to pay for
15 costs in excess of \$5,000,000, which is secured in part by a
16 tax increment allocation fund, in accordance with the
17 provisions of Division 11-74.4 of this Code may, by passage of
18 an ordinance, impose a tax upon all persons engaged in the
19 business of selling tangible personal property, other than on
20 an item of tangible personal property that is titled and
21 registered by an agency of this State's Government, at retail
22 in the municipality. This tax may not be imposed on tangible
23 personal property taxed at the 1% rate under the Retailers'
24 Occupation Tax Act (or at the 0% rate imposed under this
25 amendatory Act of the 102nd General Assembly). Beginning

1 December 1, 2019, this tax is not imposed on sales of aviation
2 fuel unless the tax revenue is expended for airport-related
3 purposes. If a municipality does not have an airport-related
4 purpose to which it dedicates aviation fuel tax revenue, then
5 aviation fuel is excluded from the tax. Each municipality must
6 comply with the certification requirements for airport-related
7 purposes under Section 2-22 of the Retailers' Occupation Tax
8 Act. For purposes of this Section, "airport-related purposes"
9 has the meaning ascribed in Section 6z-20.2 of the State
10 Finance Act. This exclusion for aviation fuel only applies for
11 so long as the revenue use requirements of 49 U.S.C. 47107(b)
12 and 49 U.S.C. 47133 are binding on the municipality. If
13 imposed, the tax shall only be imposed in .25% increments of
14 the gross receipts from such sales made in the course of
15 business. Any tax imposed by a municipality under this Section
16 and all civil penalties that may be assessed as an incident
17 thereof shall be collected and enforced by the State
18 Department of Revenue. An ordinance imposing a tax hereunder
19 or effecting a change in the rate thereof shall be adopted and
20 a certified copy thereof filed with the Department on or
21 before the first day of October, whereupon the Department
22 shall proceed to administer and enforce this Section as of the
23 first day of January next following such adoption and filing.
24 The certificate of registration that is issued by the
25 Department to a retailer under the Retailers' Occupation Tax
26 Act shall permit the retailer to engage in a business that is

1 taxable under any ordinance or resolution enacted under this
2 Section without registering separately with the Department
3 under the ordinance or resolution or under this Section. The
4 Department shall have full power to administer and enforce
5 this Section, to collect all taxes and penalties due
6 hereunder, to dispose of taxes and penalties so collected in
7 the manner hereinafter provided, and to determine all rights
8 to credit memoranda, arising on account of the erroneous
9 payment of tax or penalty hereunder. In the administration of,
10 and compliance with this Section, the Department and persons
11 who are subject to this Section shall have the same rights,
12 remedies, privileges, immunities, powers, and duties, and be
13 subject to the same conditions, restrictions, limitations,
14 penalties, and definitions of terms, and employ the same modes
15 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
16 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
17 therein other than the State rate of tax), 2c, 3 (except as to
18 the disposition of taxes and penalties collected, and except
19 that the retailer's discount is not allowed for taxes paid on
20 aviation fuel that are subject to the revenue use requirements
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
22 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d,
23 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act
24 and Section 3-7 of the Uniform Penalty and Interest Act as
25 fully as if those provisions were set forth herein.

26 A tax may not be imposed by a municipality under this

1 Section unless the municipality also imposes a tax at the same
2 rate under Section 8-11-1.7 of this Act.

3 If, on January 1, 2025, a unit of local government has in
4 effect a tax under this Section, or if, after January 1, 2025,
5 a unit of local government imposes a tax under this Section,
6 then that tax applies to leases of tangible personal property
7 in effect, entered into, or renewed on or after that date in
8 the same manner as the tax under this Section and in accordance
9 with the changes made by this amendatory Act of the 103rd
10 General Assembly.

11 Persons subject to any tax imposed under the authority
12 granted in this Section may reimburse themselves for their
13 seller's tax liability hereunder by separately stating the tax
14 as an additional charge, which charge may be stated in
15 combination, in a single amount, with State tax which sellers
16 are required to collect under the Use Tax Act, pursuant to such
17 bracket schedules as the Department may prescribe.

18 Whenever the Department determines that a refund should be
19 made under this Section to a claimant, instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the order to be drawn for the
22 amount specified, and to the person named in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the Non-Home Rule Municipal Retailers'
25 Occupation Tax Fund, which is hereby created or the Local
26 Government Aviation Trust Fund, as appropriate.

1 Except as otherwise provided in this paragraph, the
2 Department shall forthwith pay over to the State Treasurer, ex
3 officio, as trustee, all taxes and penalties collected
4 hereunder for deposit into the Non-Home Rule Municipal
5 Retailers' Occupation Tax Fund. Taxes and penalties collected
6 on aviation fuel sold on or after December 1, 2019, shall be
7 immediately paid over by the Department to the State
8 Treasurer, ex officio, as trustee, for deposit into the Local
9 Government Aviation Trust Fund. The Department shall only pay
10 moneys into the Local Government Aviation Trust Fund under
11 this Section for so long as the revenue use requirements of 49
12 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
13 municipality.

14 As soon as possible after the first day of each month,
15 beginning January 1, 2011, upon certification of the
16 Department of Revenue, the Comptroller shall order
17 transferred, and the Treasurer shall transfer, to the STAR
18 Bonds Revenue Fund the local sales tax increment, as defined
19 in the Innovation Development and Economy Act, collected under
20 this Section during the second preceding calendar month for
21 sales within a STAR bond district.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to named municipalities,
26 the municipalities to be those from which retailers have paid

1 taxes or penalties hereunder to the Department during the
2 second preceding calendar month. The amount to be paid to each
3 municipality shall be the amount (not including credit
4 memoranda and not including taxes and penalties collected on
5 aviation fuel sold on or after December 1, 2019) collected
6 hereunder during the second preceding calendar month by the
7 Department plus an amount the Department determines is
8 necessary to offset any amounts that were erroneously paid to
9 a different taxing body, and not including an amount equal to
10 the amount of refunds made during the second preceding
11 calendar month by the Department on behalf of the
12 municipality, and not including any amount that the Department
13 determines is necessary to offset any amounts that were
14 payable to a different taxing body but were erroneously paid
15 to the municipality, and not including any amounts that are
16 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
17 remainder, which the Department shall transfer into the Tax
18 Compliance and Administration Fund. The Department, at the
19 time of each monthly disbursement to the municipalities, shall
20 prepare and certify to the State Comptroller the amount to be
21 transferred into the Tax Compliance and Administration Fund
22 under this Section. Within 10 days after receipt by the
23 Comptroller of the disbursement certification to the
24 municipalities and the Tax Compliance and Administration Fund
25 provided for in this Section to be given to the Comptroller by
26 the Department, the Comptroller shall cause the orders to be

1 drawn for the respective amounts in accordance with the
2 directions contained in the certification.

3 For the purpose of determining the local governmental unit
4 whose tax is applicable, a retail sale by a producer of coal or
5 other mineral mined in Illinois is a sale at retail at the
6 place where the coal or other mineral mined in Illinois is
7 extracted from the earth. This paragraph does not apply to
8 coal or other mineral when it is delivered or shipped by the
9 seller to the purchaser at a point outside Illinois so that the
10 sale is exempt under the federal Constitution as a sale in
11 interstate or foreign commerce.

12 Nothing in this Section shall be construed to authorize a
13 municipality to impose a tax upon the privilege of engaging in
14 any business which under the constitution of the United States
15 may not be made the subject of taxation by this State.

16 When certifying the amount of a monthly disbursement to a
17 municipality under this Section, the Department shall increase
18 or decrease the amount by an amount necessary to offset any
19 misallocation of previous disbursements. The offset amount
20 shall be the amount erroneously disbursed within the previous
21 6 months from the time a misallocation is discovered.

22 As used in this Section, "municipal" and "municipality"
23 means a city, village, or incorporated town, including an
24 incorporated town that has superseded a civil township.

25 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

1 (65 ILCS 5/8-11-23)

2 Sec. 8-11-23. Municipal Cannabis Retailers' Occupation Tax
3 Law.

4 (a) This Section may be referred to as the Municipal
5 Cannabis Retailers' Occupation Tax Law. The corporate
6 authorities of any municipality may, by ordinance, impose a
7 tax upon all persons engaged in the business of selling
8 cannabis, other than cannabis purchased under the
9 Compassionate Use of Medical Cannabis Program Act, at retail
10 in the municipality on the gross receipts from these sales
11 made in the course of that business. If imposed, the tax may
12 not exceed 3% of the gross receipts from these sales and shall
13 only be imposed in 1/4% increments. The tax imposed under this
14 Section and all civil penalties that may be assessed as an
15 incident of the tax shall be collected and enforced by the
16 Department of Revenue. The Department of Revenue shall have
17 full power to administer and enforce this Section; to collect
18 all taxes and penalties due hereunder; to dispose of taxes and
19 penalties so collected in the manner hereinafter provided; and
20 to determine all rights to credit memoranda arising on account
21 of the erroneous payment of tax or penalty under this Section.
22 In the administration of and compliance with this Section, the
23 Department and persons who are subject to this Section shall
24 have the same rights, remedies, privileges, immunities, powers
25 and duties, and be subject to the same conditions,
26 restrictions, limitations, penalties and definitions of terms,

1 and employ the same modes of procedure, as are prescribed in
2 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
3 (in respect to all provisions therein other than the State
4 rate of tax), 2a, 2b, 2c, 2i, 3 (except as to the disposition
5 of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e,
6 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
7 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
8 and Section 3-7 of the Uniform Penalty and Interest Act, as
9 fully as if those provisions were set forth herein.

10 (b) Persons subject to any tax imposed under the authority
11 granted in this Section may reimburse themselves for their
12 seller's tax liability hereunder by separately stating that
13 tax as an additional charge, which charge may be stated in
14 combination, in a single amount, with any State tax that
15 sellers are required to collect.

16 (c) Whenever the Department of Revenue determines that a
17 refund should be made under this Section to a claimant instead
18 of issuing a credit memorandum, the Department of Revenue
19 shall notify the State Comptroller, who shall cause the order
20 to be drawn for the amount specified and to the person named in
21 the notification from the Department of Revenue.

22 (d) The Department of Revenue shall immediately pay over
23 to the State Treasurer, ex officio, as trustee, all taxes and
24 penalties collected hereunder for deposit into the Local
25 Cannabis Retailers' Occupation Tax Trust Fund.

26 (e) On or before the 25th day of each calendar month, the

1 Department of Revenue shall prepare and certify to the
2 Comptroller the amount of money to be disbursed from the Local
3 Cannabis Retailers' Occupation Tax Trust Fund to
4 municipalities from which retailers have paid taxes or
5 penalties under this Section during the second preceding
6 calendar month. The amount to be paid to each municipality
7 shall be the amount (not including credit memoranda) collected
8 under this Section from sales made in the municipality during
9 the second preceding calendar month, plus an amount the
10 Department of Revenue determines is necessary to offset any
11 amounts that were erroneously paid to a different taxing body,
12 and not including an amount equal to the amount of refunds made
13 during the second preceding calendar month by the Department
14 on behalf of such municipality, and not including any amount
15 that the Department determines is necessary to offset any
16 amounts that were payable to a different taxing body but were
17 erroneously paid to the municipality, less 1.5% of the
18 remainder, which the Department shall transfer into the Tax
19 Compliance and Administration Fund. The Department, at the
20 time of each monthly disbursement to the municipalities, shall
21 prepare and certify to the State Comptroller the amount to be
22 transferred into the Tax Compliance and Administration Fund
23 under this Section. Within 10 days after receipt by the
24 Comptroller of the disbursement certification to the
25 municipalities and the Tax Compliance and Administration Fund
26 provided for in this Section to be given to the Comptroller by

1 the Department, the Comptroller shall cause the orders to be
2 drawn for the respective amounts in accordance with the
3 directions contained in the certification.

4 (f) An ordinance or resolution imposing or discontinuing a
5 tax under this Section or effecting a change in the rate
6 thereof that is adopted on or after June 25, 2019 (the
7 effective date of Public Act 101-27) and for which a certified
8 copy is filed with the Department on or before April 1, 2020
9 shall be administered and enforced by the Department beginning
10 on July 1, 2020. For ordinances filed with the Department
11 after April 1, 2020, an ordinance or resolution imposing or
12 discontinuing a tax under this Section or effecting a change
13 in the rate thereof shall either (i) be adopted and a certified
14 copy thereof filed with the Department on or before the first
15 day of April, whereupon the Department shall proceed to
16 administer and enforce this Section as of the first day of July
17 next following the adoption and filing; or (ii) be adopted and
18 a certified copy thereof filed with the Department on or
19 before the first day of October, whereupon the Department
20 shall proceed to administer and enforce this Section as of the
21 first day of January next following the adoption and filing.

22 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

23 (65 ILCS 5/8-11-24)

24 Sec. 8-11-24. Municipal Grocery Occupation Tax Law.

25 (a) The corporate authorities of any municipality may, by

1 ordinance or resolution that takes effect on or after January
2 1, 2026, impose a tax upon all persons engaged in the business
3 of selling groceries at retail in the municipality on the
4 gross receipts from those sales made in the course of that
5 business. If imposed, the tax shall be at the rate of 1% of the
6 gross receipts from these sales.

7 The tax imposed by a municipality under this subsection
8 and all civil penalties that may be assessed as an incident of
9 the tax shall be collected and enforced by the Department. The
10 certificate of registration that is issued by the Department
11 to a retailer under the Retailers' Occupation Tax Act shall
12 permit the retailer to engage in a business that is taxable
13 under any ordinance or resolution enacted under this
14 subsection without registering separately with the Department
15 under that ordinance or resolution or under this subsection.

16 The Department shall have full power to administer and
17 enforce this subsection; to collect all taxes and penalties
18 due under this subsection; to dispose of taxes and penalties
19 so collected in the manner provided in this Section and under
20 rules adopted by the Department; and to determine all rights
21 to credit memoranda arising on account of the erroneous
22 payment of tax or penalty under this subsection.

23 In the administration of, and compliance with, this
24 subsection, the Department and persons who are subject to this
25 subsection shall have the same rights, remedies, privileges,
26 immunities, powers, and duties, and be subject to the same

1 conditions, restrictions, limitations, penalties and
2 definitions of terms, and employ the same modes of procedure,
3 as are prescribed in Sections 1, 2 through 2-65 (in respect to
4 all provisions therein other than the State rate of tax and
5 other than the exemption for food for human consumption that
6 is to be consumed off the premises where it is sold (other than
7 alcoholic liquor taxable under Section 8-1 of the Liquor
8 Control Act of 1934 ~~beverages~~, food consisting of or infused
9 with adult use cannabis, soft drinks, candy, and food that has
10 been prepared for immediate consumption), which is authorized
11 to be taxed as provided in this subsection), 2c, 3 (except as
12 to the disposition of taxes and penalties collected), 4, 5,
13 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
14 10, 11, 11a, 12 and 13 of the Retailers' Occupation Tax Act and
15 all of the Uniform Penalty and Interest Act, as fully as if
16 those provisions were set forth in this Section.

17 Persons subject to any tax imposed under the authority
18 granted in this subsection may reimburse themselves for their
19 seller's tax liability hereunder by separately stating that
20 tax as an additional charge, which charge may be stated in
21 combination, in a single amount, with State tax which sellers
22 are required to collect under the Use Tax Act, pursuant to such
23 bracket schedules as the Department may prescribe.

24 (b) If a tax has been imposed under subsection (a), then a
25 service occupation tax must also be imposed ~~at the same rate~~
26 upon all persons engaged, in the municipality, in the business

1 of making sales of service, at the same rate of tax imposed
2 under subsection (a), on the selling price of all ~~who, as an~~
3 ~~incident to making those sales of service, transfer~~ groceries,
4 as defined in this Section, transferred by the serviceman as
5 an incident to a sale of service.

6 The tax imposed under this subsection and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the Department. The certificate of
9 registration that is issued by the Department to a retailer
10 under the Retailers' Occupation Tax Act or the Service
11 Occupation Tax Act shall permit the registrant to engage in a
12 business that is taxable under any ordinance or resolution
13 enacted pursuant to this subsection without registering
14 separately with the Department under the ordinance or
15 resolution or under this subsection.

16 The Department shall have full power to administer and
17 enforce this subsection, to collect all taxes and penalties
18 due under this subsection, to dispose of taxes and penalties
19 so collected in the manner provided in this Section and under
20 rules adopted by the Department, and to determine all rights
21 to credit memoranda arising on account of the erroneous
22 payment of a tax or penalty under this subsection.

23 In the administration of and compliance with this
24 subsection, the Department and persons who are subject to this
25 subsection shall have the same rights, remedies, privileges,
26 immunities, powers and duties, and be subject to the same

1 conditions, restrictions, limitations, penalties and
2 definitions of terms, and employ the same modes of procedure
3 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
4 to all provisions contained in those Sections other than (i)
5 the State rate of tax; (ii) the exemption for food for human
6 consumption that is to be consumed off the premises where it is
7 sold (other than alcoholic liquor taxable under Section 8-1 of
8 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
9 or infused with adult use cannabis, soft drinks, candy, and
10 food that has been prepared for immediate consumption), which
11 is authorized to be taxed as provided in this subsection; and
12 (iii) the exemption for food prepared for immediate
13 consumption and transferred incident to a sale of service
14 subject to the Service Occupation Tax Act or the Service Use
15 Tax Act by an entity licensed under the Hospital Licensing
16 Act, the Nursing Home Care Act, the Assisted Living and Shared
17 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
18 Specialized Mental Health Rehabilitation Act of 2013, or the
19 Child Care Act of 1969, or an entity that holds a permit issued
20 pursuant to the Life Care Facilities Act, which is authorized
21 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
22 (except as to the disposition of taxes and penalties
23 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
24 Service Occupation Tax Act and all provisions of the Uniform
25 Penalty and Interest Act, as fully as if those provisions were
26 set forth in this Section.

1 Persons subject to any tax imposed under the authority
2 granted in this subsection may reimburse themselves for their
3 serviceman's tax liability by separately stating the tax as an
4 additional charge, which may be stated in combination, in a
5 single amount, with State tax that servicemen are authorized
6 to collect under the Service Use Tax Act, pursuant to any
7 bracketed schedules set forth by the Department.

8 (c) The Department shall immediately pay over to the State
9 Treasurer, ex officio, as trustee, all taxes and penalties
10 collected under this Section. Those taxes and penalties shall
11 be deposited into the Municipal Grocery Tax Trust Fund, a
12 trust fund created in the State treasury. Except as otherwise
13 provided in this Section, moneys in the Municipal Grocery Tax
14 Trust Fund shall be used to make payments to municipalities
15 and for the payment of refunds under this Section.

16 Moneys deposited into the Municipal Grocery Tax Trust Fund
17 under this Section are not subject to appropriation and shall
18 be used as provided in this Section. All deposits into the
19 Municipal Grocery Tax Trust Fund shall be held in the
20 Municipal Grocery Tax Trust Fund by the State Treasurer, ex
21 officio, as trustee separate and apart from all public moneys
22 or funds of this State.

23 Whenever the Department determines that a refund should be
24 made under this Section to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified and to the person named in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the Municipal Grocery Tax Trust Fund.

4 (d) As soon as possible after the first day of each month,
5 upon certification of the Department, the Comptroller shall
6 order transferred, and the Treasurer shall transfer, to the
7 STAR Bonds Revenue Fund the local sales tax increment, if any,
8 as defined in the Innovation Development and Economy Act,
9 collected under this Section.

10 After the monthly transfer to the STAR Bonds Revenue Fund,
11 if any, on or before the 25th day of each calendar month, the
12 Department shall prepare and certify to the Comptroller the
13 disbursement of stated sums of money to named municipalities,
14 the municipalities to be those from which retailers have paid
15 taxes or penalties under this Section to the Department during
16 the second preceding calendar month. The amount to be paid to
17 each municipality shall be the amount (not including credit
18 memoranda) collected under this Section during the second
19 preceding calendar month by the Department plus an amount the
20 Department determines is necessary to offset any amounts that
21 were erroneously paid to a different taxing body, and not
22 including an amount equal to the amount of refunds made during
23 the second preceding calendar month by the Department on
24 behalf of such municipality, and not including any amount that
25 the Department determines is necessary to offset any amounts
26 that were payable to a different taxing body but were

1 erroneously paid to the municipality, and not including any
2 amounts that are transferred to the STAR Bonds Revenue Fund.
3 Within 10 days after receipt by the Comptroller of the
4 disbursement certification to the municipalities provided for
5 in this Section to be given to the Comptroller by the
6 Department, the Comptroller shall cause the orders to be drawn
7 for the amounts in accordance with the directions contained in
8 the certification.

9 (e) Nothing in this Section shall be construed to
10 authorize a municipality to impose a tax upon the privilege of
11 engaging in any business which under the Constitution of the
12 United States may not be made the subject of taxation by this
13 State.

14 (f) Except as otherwise provided in this subsection, an
15 ordinance or resolution imposing or discontinuing the tax
16 hereunder or effecting a change in the rate thereof shall
17 either (i) be adopted and a certified copy thereof filed with
18 the Department on or before the first day of April, whereupon
19 the Department shall proceed to administer and enforce this
20 Section as of the first day of July next following the adoption
21 and filing or (ii) be adopted and a certified copy thereof
22 filed with the Department on or before the first day of
23 October, whereupon the Department shall proceed to administer
24 and enforce this Section as of the first day of January next
25 following the adoption and filing.

26 (g) When certifying the amount of a monthly disbursement

1 to a municipality under this Section, the Department shall
2 increase or decrease the amount by an amount necessary to
3 offset any misallocation of previous disbursements. The offset
4 amount shall be the amount erroneously disbursed within the
5 previous 6 months from the time a misallocation is discovered.

6 (h) As used in this Section, "Department" means the
7 Department of Revenue.

8 For purposes of the tax authorized to be imposed under
9 subsection (a), "groceries" has the same meaning as "food for
10 human consumption that is to be consumed off the premises
11 where it is sold (other than alcoholic liquor taxable under
12 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
13 consisting of or infused with adult use cannabis, soft drinks,
14 candy, and food that has been prepared for immediate
15 consumption)", as further defined in Section 2-10 of the
16 Retailers' Occupation Tax Act.

17 For purposes of the tax authorized to be imposed under
18 subsection (b), "groceries" has the same meaning as "food for
19 human consumption that is to be consumed off the premises
20 where it is sold (other than alcoholic liquor taxable under
21 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
22 consisting of or infused with adult use cannabis, soft drinks,
23 candy, and food that has been prepared for immediate
24 consumption)", as further defined in Section 3-10 of the
25 Service Occupation Tax Act. For purposes of the tax authorized
26 to be imposed under subsection (b), "groceries" also means

1 food prepared for immediate consumption and transferred
2 incident to a sale of service subject to the Service
3 Occupation Tax Act or the Service Use Tax Act by an entity
4 licensed under the Hospital Licensing Act, the Nursing Home
5 Care Act, the Assisted Living and Shared Housing Act, the
6 ID/DD Community Care Act, the MC/DD Act, the Specialized
7 Mental Health Rehabilitation Act of 2013, or the Child Care
8 Act of 1969, or an entity that holds a permit issued pursuant
9 to the Life Care Facilities Act.

10 (i) This Section may be referred to as the Municipal
11 Grocery Occupation Tax Law.

12 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

13 (65 ILCS 5/11-74.3-6)

14 Sec. 11-74.3-6. Business district revenue and obligations;
15 business district tax allocation fund.

16 (a) If the corporate authorities of a municipality have
17 approved a business district plan, have designated a business
18 district, and have elected to impose a tax by ordinance
19 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
20 each year after the date of the approval of the ordinance but
21 terminating upon the date all business district project costs
22 and all obligations paying or reimbursing business district
23 project costs, if any, have been paid, but in no event later
24 than the dissolution date, all amounts generated by the
25 retailers' occupation tax and service occupation tax shall be

1 collected and the tax shall be enforced by the Department of
2 Revenue in the same manner as all retailers' occupation taxes
3 and service occupation taxes imposed in the municipality
4 imposing the tax and all amounts generated by the hotel
5 operators' occupation tax shall be collected and the tax shall
6 be enforced by the municipality in the same manner as all hotel
7 operators' occupation taxes imposed in the municipality
8 imposing the tax. The corporate authorities of the
9 municipality shall deposit the proceeds of the taxes imposed
10 under subsections (10) and (11) of Section 11-74.3-3 into a
11 special fund of the municipality called the "[Name of]
12 Business District Tax Allocation Fund" for the purpose of
13 paying or reimbursing business district project costs and
14 obligations incurred in the payment of those costs.

15 (b) The corporate authorities of a municipality that has
16 designated a business district under this Law may, by
17 ordinance, impose a Business District Retailers' Occupation
18 Tax upon all persons engaged in the business of selling
19 tangible personal property, other than an item of tangible
20 personal property titled or registered with an agency of this
21 State's government, at retail in the business district at a
22 rate not to exceed 1% of the gross receipts from the sales made
23 in the course of such business, to be imposed only in 0.25%
24 increments. The tax may not be imposed on tangible personal
25 property taxed at the rate of 1% under the Retailers'
26 Occupation Tax Act (or at the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly). Beginning
2 December 1, 2019 and through December 31, 2020, this tax is not
3 imposed on sales of aviation fuel unless the tax revenue is
4 expended for airport-related purposes. If the District does
5 not have an airport-related purpose to which it dedicates
6 aviation fuel tax revenue, then aviation fuel is excluded from
7 the tax. Each municipality must comply with the certification
8 requirements for airport-related purposes under Section 2-22
9 of the Retailers' Occupation Tax Act. For purposes of this
10 Section, "airport-related purposes" has the meaning ascribed
11 in Section 6z-20.2 of the State Finance Act. Beginning January
12 1, 2021, this tax is not imposed on sales of aviation fuel for
13 so long as the revenue use requirements of 49 U.S.C. 47107(b)
14 and 49 U.S.C. 47133 are binding on the District.

15 The tax imposed under this subsection and all civil
16 penalties that may be assessed as an incident thereof shall be
17 collected and enforced by the Department of Revenue. The
18 certificate of registration that is issued by the Department
19 to a retailer under the Retailers' Occupation Tax Act shall
20 permit the retailer to engage in a business that is taxable
21 under any ordinance or resolution enacted pursuant to this
22 subsection without registering separately with the Department
23 under such ordinance or resolution or under this subsection.
24 The Department of Revenue shall have full power to administer
25 and enforce this subsection; to collect all taxes and
26 penalties due under this subsection in the manner hereinafter

1 provided; and to determine all rights to credit memoranda
2 arising on account of the erroneous payment of tax or penalty
3 under this subsection. In the administration of, and
4 compliance with, this subsection, the Department and persons
5 who are subject to this subsection shall have the same rights,
6 remedies, privileges, immunities, powers and duties, and be
7 subject to the same conditions, restrictions, limitations,
8 penalties, exclusions, exemptions, and definitions of terms
9 and employ the same modes of procedure, as are prescribed in
10 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
11 provisions therein other than the State rate of tax), 2c
12 through 2h, 3 (except as to the disposition of taxes and
13 penalties collected, and except that the retailer's discount
14 is not allowed for taxes paid on aviation fuel that are subject
15 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,
17 5l, 5m, 5n, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of
18 the Retailers' Occupation Tax Act and all provisions of the
19 Uniform Penalty and Interest Act, as fully as if those
20 provisions were set forth herein.

21 Persons subject to any tax imposed under this subsection
22 may reimburse themselves for their seller's tax liability
23 under this subsection by separately stating the tax as an
24 additional charge, which charge may be stated in combination,
25 in a single amount, with State taxes that sellers are required
26 to collect under the Use Tax Act, in accordance with such

1 bracket schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this subsection to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the order to be drawn for the
6 amount specified and to the person named in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the business district retailers' occupation
9 tax fund or the Local Government Aviation Trust Fund, as
10 appropriate.

11 Except as otherwise provided in this paragraph, the
12 Department shall immediately pay over to the State Treasurer,
13 ex officio, as trustee, all taxes, penalties, and interest
14 collected under this subsection for deposit into the business
15 district retailers' occupation tax fund. Taxes and penalties
16 collected on aviation fuel sold on or after December 1, 2019,
17 shall be immediately paid over by the Department to the State
18 Treasurer, ex officio, as trustee, for deposit into the Local
19 Government Aviation Trust Fund. The Department shall only pay
20 moneys into the Local Government Aviation Trust Fund under
21 this Section for so long as the revenue use requirements of 49
22 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
23 District.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2011, upon certification of the
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR
2 Bonds Revenue Fund the local sales tax increment, as defined
3 in the Innovation Development and Economy Act, collected under
4 this subsection during the second preceding calendar month for
5 sales within a STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,
7 on or before the 25th day of each calendar month, the
8 Department shall prepare and certify to the Comptroller the
9 disbursement of stated sums of money to named municipalities
10 from the business district retailers' occupation tax fund, the
11 municipalities to be those from which retailers have paid
12 taxes or penalties under this subsection to the Department
13 during the second preceding calendar month. The amount to be
14 paid to each municipality shall be the amount (not including
15 credit memoranda and not including taxes and penalties
16 collected on aviation fuel sold on or after December 1, 2019)
17 collected under this subsection during the second preceding
18 calendar month by the Department plus an amount the Department
19 determines is necessary to offset any amounts that were
20 erroneously paid to a different taxing body, and not including
21 an amount equal to the amount of refunds made during the second
22 preceding calendar month by the Department, less 2% of that
23 amount (except the amount collected on aviation fuel sold on
24 or after December 1, 2019), which shall be deposited into the
25 Tax Compliance and Administration Fund and shall be used by
26 the Department, subject to appropriation, to cover the costs

1 of the Department in administering and enforcing the
2 provisions of this subsection, on behalf of such municipality,
3 and not including any amount that the Department determines is
4 necessary to offset any amounts that were payable to a
5 different taxing body but were erroneously paid to the
6 municipality, and not including any amounts that are
7 transferred to the STAR Bonds Revenue Fund. Within 10 days
8 after receipt by the Comptroller of the disbursement
9 certification to the municipalities provided for in this
10 subsection to be given to the Comptroller by the Department,
11 the Comptroller shall cause the orders to be drawn for the
12 respective amounts in accordance with the directions contained
13 in the certification. The proceeds of the tax paid to
14 municipalities under this subsection shall be deposited into
15 the Business District Tax Allocation Fund by the municipality.

16 An ordinance imposing or discontinuing the tax under this
17 subsection or effecting a change in the rate thereof shall
18 either (i) be adopted and a certified copy thereof filed with
19 the Department on or before the first day of April, whereupon
20 the Department, if all other requirements of this subsection
21 are met, shall proceed to administer and enforce this
22 subsection as of the first day of July next following the
23 adoption and filing; or (ii) be adopted and a certified copy
24 thereof filed with the Department on or before the first day of
25 October, whereupon, if all other requirements of this
26 subsection are met, the Department shall proceed to administer

1 and enforce this subsection as of the first day of January next
2 following the adoption and filing.

3 The Department of Revenue shall not administer or enforce
4 an ordinance imposing, discontinuing, or changing the rate of
5 the tax under this subsection, until the municipality also
6 provides, in the manner prescribed by the Department, the
7 boundaries of the business district and each address in the
8 business district in such a way that the Department can
9 determine by its address whether a business is located in the
10 business district. The municipality must provide this boundary
11 and address information to the Department on or before April 1
12 for administration and enforcement of the tax under this
13 subsection by the Department beginning on the following July 1
14 and on or before October 1 for administration and enforcement
15 of the tax under this subsection by the Department beginning
16 on the following January 1. The Department of Revenue shall
17 not administer or enforce any change made to the boundaries of
18 a business district or address change, addition, or deletion
19 until the municipality reports the boundary change or address
20 change, addition, or deletion to the Department in the manner
21 prescribed by the Department. The municipality must provide
22 this boundary change information or address change, addition,
23 or deletion to the Department on or before April 1 for
24 administration and enforcement by the Department of the change
25 beginning on the following July 1 and on or before October 1
26 for administration and enforcement by the Department of the

1 change beginning on the following January 1. The retailers in
2 the business district shall be responsible for charging the
3 tax imposed under this subsection. If a retailer is
4 incorrectly included or excluded from the list of those
5 required to collect the tax under this subsection, both the
6 Department of Revenue and the retailer shall be held harmless
7 if they reasonably relied on information provided by the
8 municipality.

9 A municipality that imposes the tax under this subsection
10 must submit to the Department of Revenue any other information
11 as the Department may require for the administration and
12 enforcement of the tax.

13 When certifying the amount of a monthly disbursement to a
14 municipality under this subsection, the Department shall
15 increase or decrease the amount by an amount necessary to
16 offset any misallocation of previous disbursements. The offset
17 amount shall be the amount erroneously disbursed within the
18 previous 6 months from the time a misallocation is discovered.

19 Nothing in this subsection shall be construed to authorize
20 the municipality to impose a tax upon the privilege of
21 engaging in any business which under the Constitution of the
22 United States may not be made the subject of taxation by this
23 State.

24 If a tax is imposed under this subsection (b), a tax shall
25 also be imposed under subsection (c) of this Section.

26 (c) If a tax has been imposed under subsection (b), a

1 Business District Service Occupation Tax shall also be imposed
2 upon all persons engaged, in the business district, in the
3 business of making sales of service, who, as an incident to
4 making those sales of service, transfer tangible personal
5 property within the business district, either in the form of
6 tangible personal property or in the form of real estate as an
7 incident to a sale of service. The tax shall be imposed at the
8 same rate as the tax imposed in subsection (b) and shall not
9 exceed 1% of the selling price of tangible personal property
10 so transferred within the business district, to be imposed
11 only in 0.25% increments. The tax may not be imposed on
12 tangible personal property taxed at the 1% rate under the
13 Service Occupation Tax Act (or at the 0% rate imposed under
14 this amendatory Act of the 102nd General Assembly). Beginning
15 December 1, 2019, this tax is not imposed on sales of aviation
16 fuel unless the tax revenue is expended for airport-related
17 purposes. If the District does not have an airport-related
18 purpose to which it dedicates aviation fuel tax revenue, then
19 aviation fuel is excluded from the tax. Each municipality must
20 comply with the certification requirements for airport-related
21 purposes under Section 2-22 of the Retailers' Occupation Tax
22 Act. For purposes of this Act, "airport-related purposes" has
23 the meaning ascribed in Section 6z-20.2 of the State Finance
24 Act. Beginning January 1, 2021, this tax is not imposed on
25 sales of aviation fuel for so long as the revenue use
26 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are

1 binding on the District.

2 The tax imposed under this subsection and all civil
3 penalties that may be assessed as an incident thereof shall be
4 collected and enforced by the Department of Revenue. The
5 certificate of registration which is issued by the Department
6 to a retailer under the Retailers' Occupation Tax Act or under
7 the Service Occupation Tax Act shall permit such registrant to
8 engage in a business which is taxable under any ordinance or
9 resolution enacted pursuant to this subsection without
10 registering separately with the Department under such
11 ordinance or resolution or under this subsection. The
12 Department of Revenue shall have full power to administer and
13 enforce this subsection; to collect all taxes and penalties
14 due under this subsection; to dispose of taxes and penalties
15 so collected in the manner hereinafter provided; and to
16 determine all rights to credit memoranda arising on account of
17 the erroneous payment of tax or penalty under this subsection.
18 In the administration of, and compliance with this subsection,
19 the Department and persons who are subject to this subsection
20 shall have the same rights, remedies, privileges, immunities,
21 powers and duties, and be subject to the same conditions,
22 restrictions, limitations, penalties, exclusions, exemptions,
23 and definitions of terms and employ the same modes of
24 procedure as are prescribed in Sections 2, 2a through 2d, 3
25 through 3-50 (in respect to all provisions therein other than
26 the State rate of tax), 4 (except that the reference to the

1 State shall be to the business district), 5, 7, 8 (except that
2 the jurisdiction to which the tax shall be a debt to the extent
3 indicated in that Section 8 shall be the municipality), 9
4 (except as to the disposition of taxes and penalties
5 collected, and except that the returned merchandise credit for
6 this tax may not be taken against any State tax, and except
7 that the retailer's discount is not allowed for taxes paid on
8 aviation fuel that are subject to the revenue use requirements
9 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
10 the reference therein to Section 2b of the Retailers'
11 Occupation Tax Act), 13 (except that any reference to the
12 State shall mean the municipality), the first paragraph of
13 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
14 Occupation Tax Act and all provisions of the Uniform Penalty
15 and Interest Act, as fully as if those provisions were set
16 forth herein.

17 Persons subject to any tax imposed under the authority
18 granted in this subsection may reimburse themselves for their
19 serviceman's tax liability hereunder by separately stating the
20 tax as an additional charge, which charge may be stated in
21 combination, in a single amount, with State tax that
22 servicemen are authorized to collect under the Service Use Tax
23 Act, in accordance with such bracket schedules as the
24 Department may prescribe.

25 Whenever the Department determines that a refund should be
26 made under this subsection to a claimant instead of issuing

1 credit memorandum, the Department shall notify the State
2 Comptroller, who shall cause the order to be drawn for the
3 amount specified, and to the person named, in such
4 notification from the Department. Such refund shall be paid by
5 the State Treasurer out of the business district retailers'
6 occupation tax fund or the Local Government Aviation Trust
7 Fund, as appropriate.

8 Except as otherwise provided in this paragraph, the
9 Department shall forthwith pay over to the State Treasurer,
10 ex-officio, as trustee, all taxes, penalties, and interest
11 collected under this subsection for deposit into the business
12 district retailers' occupation tax fund. Taxes and penalties
13 collected on aviation fuel sold on or after December 1, 2019,
14 shall be immediately paid over by the Department to the State
15 Treasurer, ex officio, as trustee, for deposit into the Local
16 Government Aviation Trust Fund. The Department shall only pay
17 moneys into the Local Government Aviation Trust Fund under
18 this Section for so long as the revenue use requirements of 49
19 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
20 District.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, to the STAR
25 Bonds Revenue Fund the local sales tax increment, as defined
26 in the Innovation Development and Economy Act, collected under

1 this subsection during the second preceding calendar month for
2 sales within a STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,
4 on or before the 25th day of each calendar month, the
5 Department shall prepare and certify to the Comptroller the
6 disbursement of stated sums of money to named municipalities
7 from the business district retailers' occupation tax fund, the
8 municipalities to be those from which suppliers and servicemen
9 have paid taxes or penalties under this subsection to the
10 Department during the second preceding calendar month. The
11 amount to be paid to each municipality shall be the amount (not
12 including credit memoranda and not including taxes and
13 penalties collected on aviation fuel sold on or after December
14 1, 2019) collected under this subsection during the second
15 preceding calendar month by the Department, less 2% of that
16 amount (except the amount collected on aviation fuel sold on
17 or after December 1, 2019), which shall be deposited into the
18 Tax Compliance and Administration Fund and shall be used by
19 the Department, subject to appropriation, to cover the costs
20 of the Department in administering and enforcing the
21 provisions of this subsection, and not including an amount
22 equal to the amount of refunds made during the second
23 preceding calendar month by the Department on behalf of such
24 municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund. Within 10 days
26 after receipt, by the Comptroller, of the disbursement

1 certification to the municipalities, provided for in this
2 subsection to be given to the Comptroller by the Department,
3 the Comptroller shall cause the orders to be drawn for the
4 respective amounts in accordance with the directions contained
5 in such certification. The proceeds of the tax paid to
6 municipalities under this subsection shall be deposited into
7 the Business District Tax Allocation Fund by the municipality.

8 An ordinance imposing or discontinuing the tax under this
9 subsection or effecting a change in the rate thereof shall
10 either (i) be adopted and a certified copy thereof filed with
11 the Department on or before the first day of April, whereupon
12 the Department, if all other requirements of this subsection
13 are met, shall proceed to administer and enforce this
14 subsection as of the first day of July next following the
15 adoption and filing; or (ii) be adopted and a certified copy
16 thereof filed with the Department on or before the first day of
17 October, whereupon, if all other conditions of this subsection
18 are met, the Department shall proceed to administer and
19 enforce this subsection as of the first day of January next
20 following the adoption and filing.

21 The Department of Revenue shall not administer or enforce
22 an ordinance imposing, discontinuing, or changing the rate of
23 the tax under this subsection, until the municipality also
24 provides, in the manner prescribed by the Department, the
25 boundaries of the business district in such a way that the
26 Department can determine by its address whether a business is

1 located in the business district. The municipality must
2 provide this boundary and address information to the
3 Department on or before April 1 for administration and
4 enforcement of the tax under this subsection by the Department
5 beginning on the following July 1 and on or before October 1
6 for administration and enforcement of the tax under this
7 subsection by the Department beginning on the following
8 January 1. The Department of Revenue shall not administer or
9 enforce any change made to the boundaries of a business
10 district or address change, addition, or deletion until the
11 municipality reports the boundary change or address change,
12 addition, or deletion to the Department in the manner
13 prescribed by the Department. The municipality must provide
14 this boundary change information or address change, addition,
15 or deletion to the Department on or before April 1 for
16 administration and enforcement by the Department of the change
17 beginning on the following July 1 and on or before October 1
18 for administration and enforcement by the Department of the
19 change beginning on the following January 1. The retailers in
20 the business district shall be responsible for charging the
21 tax imposed under this subsection. If a retailer is
22 incorrectly included or excluded from the list of those
23 required to collect the tax under this subsection, both the
24 Department of Revenue and the retailer shall be held harmless
25 if they reasonably relied on information provided by the
26 municipality.

1 A municipality that imposes the tax under this subsection
2 must submit to the Department of Revenue any other information
3 as the Department may require for the administration and
4 enforcement of the tax.

5 Nothing in this subsection shall be construed to authorize
6 the municipality to impose a tax upon the privilege of
7 engaging in any business which under the Constitution of the
8 United States may not be made the subject of taxation by the
9 State.

10 If a tax is imposed under this subsection (c), a tax shall
11 also be imposed under subsection (b) of this Section.

12 (c-5) If, on January 1, 2025, a unit of local government
13 has in effect a tax under this Section, or if, after January 1,
14 2025, a unit of local government imposes a tax under this
15 Section, then that tax applies to leases of tangible personal
16 property in effect, entered into, or renewed on or after that
17 date in the same manner as the tax under this Section and in
18 accordance with the changes made by this amendatory Act of the
19 103rd General Assembly.

20 (d) By ordinance, a municipality that has designated a
21 business district under this Law may impose an occupation tax
22 upon all persons engaged in the business district in the
23 business of renting, leasing, or letting rooms in a hotel, as
24 defined in the Hotel Operators' Occupation Tax Act, at a rate
25 not to exceed 1% of the gross rental receipts from the renting,
26 leasing, or letting of hotel rooms within the business

1 district, to be imposed only in 0.25% increments, excluding,
2 however, from gross rental receipts the proceeds of renting,
3 leasing, or letting to permanent residents of a hotel, as
4 defined in the Hotel Operators' Occupation Tax Act, and
5 proceeds from the tax imposed under subsection (c) of Section
6 13 of the Metropolitan Pier and Exposition Authority Act.

7 The tax imposed by the municipality under this subsection
8 and all civil penalties that may be assessed as an incident to
9 that tax shall be collected and enforced by the municipality
10 imposing the tax. The municipality shall have full power to
11 administer and enforce this subsection, to collect all taxes
12 and penalties due under this subsection, to dispose of taxes
13 and penalties so collected in the manner provided in this
14 subsection, and to determine all rights to credit memoranda
15 arising on account of the erroneous payment of tax or penalty
16 under this subsection. In the administration of and compliance
17 with this subsection, the municipality and persons who are
18 subject to this subsection shall have the same rights,
19 remedies, privileges, immunities, powers, and duties, shall be
20 subject to the same conditions, restrictions, limitations,
21 penalties, and definitions of terms, and shall employ the same
22 modes of procedure as are employed with respect to a tax
23 adopted by the municipality under Section 8-3-14 of this Code.

24 Persons subject to any tax imposed under the authority
25 granted in this subsection may reimburse themselves for their
26 tax liability for that tax by separately stating that tax as an

1 additional charge, which charge may be stated in combination,
2 in a single amount, with State taxes imposed under the Hotel
3 Operators' Occupation Tax Act, and with any other tax.

4 Nothing in this subsection shall be construed to authorize
5 a municipality to impose a tax upon the privilege of engaging
6 in any business which under the Constitution of the United
7 States may not be made the subject of taxation by this State.

8 The proceeds of the tax imposed under this subsection
9 shall be deposited into the Business District Tax Allocation
10 Fund.

11 (e) Obligations secured by the Business District Tax
12 Allocation Fund may be issued to provide for the payment or
13 reimbursement of business district project costs. Those
14 obligations, when so issued, shall be retired in the manner
15 provided in the ordinance authorizing the issuance of those
16 obligations by the receipts of taxes imposed pursuant to
17 subsections (10) and (11) of Section 11-74.3-3 and by other
18 revenue designated or pledged by the municipality. A
19 municipality may in the ordinance pledge, for any period of
20 time up to and including the dissolution date, all or any part
21 of the funds in and to be deposited in the Business District
22 Tax Allocation Fund to the payment of business district
23 project costs and obligations. Whenever a municipality pledges
24 all of the funds to the credit of a business district tax
25 allocation fund to secure obligations issued or to be issued
26 to pay or reimburse business district project costs, the

1 municipality may specifically provide that funds remaining to
2 the credit of such business district tax allocation fund after
3 the payment of such obligations shall be accounted for
4 annually and shall be deemed to be "surplus" funds, and such
5 "surplus" funds shall be expended by the municipality for any
6 business district project cost as approved in the business
7 district plan. Whenever a municipality pledges less than all
8 of the monies to the credit of a business district tax
9 allocation fund to secure obligations issued or to be issued
10 to pay or reimburse business district project costs, the
11 municipality shall provide that monies to the credit of the
12 business district tax allocation fund and not subject to such
13 pledge or otherwise encumbered or required for payment of
14 contractual obligations for specific business district project
15 costs shall be calculated annually and shall be deemed to be
16 "surplus" funds, and such "surplus" funds shall be expended by
17 the municipality for any business district project cost as
18 approved in the business district plan.

19 No obligation issued pursuant to this Law and secured by a
20 pledge of all or any portion of any revenues received or to be
21 received by the municipality from the imposition of taxes
22 pursuant to subsection (10) of Section 11-74.3-3, shall be
23 deemed to constitute an economic incentive agreement under
24 Section 8-11-20, notwithstanding the fact that such pledge
25 provides for the sharing, rebate, or payment of retailers'
26 occupation taxes or service occupation taxes imposed pursuant

1 to subsection (10) of Section 11-74.3-3 and received or to be
2 received by the municipality from the development or
3 redevelopment of properties in the business district.

4 Without limiting the foregoing in this Section, the
5 municipality may further secure obligations secured by the
6 business district tax allocation fund with a pledge, for a
7 period not greater than the term of the obligations and in any
8 case not longer than the dissolution date, of any part or any
9 combination of the following: (i) net revenues of all or part
10 of any business district project; (ii) taxes levied or imposed
11 by the municipality on any or all property in the
12 municipality, including, specifically, taxes levied or imposed
13 by the municipality in a special service area pursuant to the
14 Special Service Area Tax Law; (iii) the full faith and credit
15 of the municipality; (iv) a mortgage on part or all of the
16 business district project; or (v) any other taxes or
17 anticipated receipts that the municipality may lawfully
18 pledge.

19 Such obligations may be issued in one or more series, bear
20 such date or dates, become due at such time or times as therein
21 provided, but in any case not later than (i) 20 years after the
22 date of issue or (ii) the dissolution date, whichever is
23 earlier, bear interest payable at such intervals and at such
24 rate or rates as set forth therein, except as may be limited by
25 applicable law, which rate or rates may be fixed or variable,
26 be in such denominations, be in such form, either coupon,

1 registered, or book-entry, carry such conversion, registration
2 and exchange privileges, be subject to defeasance upon such
3 terms, have such rank or priority, be executed in such manner,
4 be payable in such medium or payment at such place or places
5 within or without the State, make provision for a corporate
6 trustee within or without the State with respect to such
7 obligations, prescribe the rights, powers, and duties thereof
8 to be exercised for the benefit of the municipality and the
9 benefit of the owners of such obligations, provide for the
10 holding in trust, investment, and use of moneys, funds, and
11 accounts held under an ordinance, provide for assignment of
12 and direct payment of the moneys to pay such obligations or to
13 be deposited into such funds or accounts directly to such
14 trustee, be subject to such terms of redemption with or
15 without premium, and be sold at such price, all as the
16 corporate authorities shall determine. No referendum approval
17 of the electors shall be required as a condition to the
18 issuance of obligations pursuant to this Law except as
19 provided in this Section.

20 In the event the municipality authorizes the issuance of
21 obligations pursuant to the authority of this Law secured by
22 the full faith and credit of the municipality, or pledges ad
23 valorem taxes pursuant to this subsection, which obligations
24 are other than obligations which may be issued under home rule
25 powers provided by Section 6 of Article VII of the Illinois
26 Constitution or which ad valorem taxes are other than ad

1 valorem taxes which may be pledged under home rule powers
2 provided by Section 6 of Article VII of the Illinois
3 Constitution or which are levied in a special service area
4 pursuant to the Special Service Area Tax Law, the ordinance
5 authorizing the issuance of those obligations or pledging
6 those taxes shall be published within 10 days after the
7 ordinance has been adopted, in a newspaper having a general
8 circulation within the municipality. The publication of the
9 ordinance shall be accompanied by a notice of (i) the specific
10 number of voters required to sign a petition requesting the
11 question of the issuance of the obligations or pledging such
12 ad valorem taxes to be submitted to the electors; (ii) the time
13 within which the petition must be filed; and (iii) the date of
14 the prospective referendum. The municipal clerk shall provide
15 a petition form to any individual requesting one.

16 If no petition is filed with the municipal clerk, as
17 hereinafter provided in this Section, within 21 days after the
18 publication of the ordinance, the ordinance shall be in
19 effect. However, if within that 21-day period a petition is
20 filed with the municipal clerk, signed by electors numbering
21 not less than 15% of the number of electors voting for the
22 mayor or president at the last general municipal election,
23 asking that the question of issuing obligations using full
24 faith and credit of the municipality as security for the cost
25 of paying or reimbursing business district project costs, or
26 of pledging such ad valorem taxes for the payment of those

1 obligations, or both, be submitted to the electors of the
2 municipality, the municipality shall not be authorized to
3 issue obligations of the municipality using the full faith and
4 credit of the municipality as security or pledging such ad
5 valorem taxes for the payment of those obligations, or both,
6 until the proposition has been submitted to and approved by a
7 majority of the voters voting on the proposition at a
8 regularly scheduled election. The municipality shall certify
9 the proposition to the proper election authorities for
10 submission in accordance with the general election law.

11 The ordinance authorizing the obligations may provide that
12 the obligations shall contain a recital that they are issued
13 pursuant to this Law, which recital shall be conclusive
14 evidence of their validity and of the regularity of their
15 issuance.

16 In the event the municipality authorizes issuance of
17 obligations pursuant to this Law secured by the full faith and
18 credit of the municipality, the ordinance authorizing the
19 obligations may provide for the levy and collection of a
20 direct annual tax upon all taxable property within the
21 municipality sufficient to pay the principal thereof and
22 interest thereon as it matures, which levy may be in addition
23 to and exclusive of the maximum of all other taxes authorized
24 to be levied by the municipality, which levy, however, shall
25 be abated to the extent that monies from other sources are
26 available for payment of the obligations and the municipality

1 certifies the amount of those monies available to the county
2 clerk.

3 A certified copy of the ordinance shall be filed with the
4 county clerk of each county in which any portion of the
5 municipality is situated, and shall constitute the authority
6 for the extension and collection of the taxes to be deposited
7 in the business district tax allocation fund.

8 A municipality may also issue its obligations to refund,
9 in whole or in part, obligations theretofore issued by the
10 municipality under the authority of this Law, whether at or
11 prior to maturity. However, the last maturity of the refunding
12 obligations shall not be expressed to mature later than the
13 dissolution date.

14 In the event a municipality issues obligations under home
15 rule powers or other legislative authority, the proceeds of
16 which are pledged to pay or reimburse business district
17 project costs, the municipality may, if it has followed the
18 procedures in conformance with this Law, retire those
19 obligations from funds in the business district tax allocation
20 fund in amounts and in such manner as if those obligations had
21 been issued pursuant to the provisions of this Law.

22 No obligations issued pursuant to this Law shall be
23 regarded as indebtedness of the municipality issuing those
24 obligations or any other taxing district for the purpose of
25 any limitation imposed by law.

26 Obligations issued pursuant to this Law shall not be

1 subject to the provisions of the Bond Authorization Act.

2 (f) When business district project costs, including,
3 without limitation, all obligations paying or reimbursing
4 business district project costs have been paid, any surplus
5 funds then remaining in the Business District Tax Allocation
6 Fund shall be distributed to the municipal treasurer for
7 deposit into the general corporate fund of the municipality.
8 Upon payment of all business district project costs and
9 retirement of all obligations paying or reimbursing business
10 district project costs, but in no event more than 23 years
11 after the date of adoption of the ordinance imposing taxes
12 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
13 municipality shall adopt an ordinance immediately rescinding
14 the taxes imposed pursuant to subsection (10) or (11) of
15 Section 11-74.3-3.

16 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

17 Section 70-80. The Civic Center Code is amended by
18 changing Section 245-12 as follows:

19 (70 ILCS 200/245-12)

20 Sec. 245-12. Use and occupation taxes.

21 (a) The Authority may adopt a resolution that authorizes a
22 referendum on the question of whether the Authority shall be
23 authorized to impose a retailers' occupation tax, a service
24 occupation tax, and a use tax in one-quarter percent

1 increments at a rate not to exceed 1%. The Authority shall
2 certify the question to the proper election authorities who
3 shall submit the question to the voters of the metropolitan
4 area at the next regularly scheduled election in accordance
5 with the general election law. The question shall be in
6 substantially the following form:

7 "Shall the Salem Civic Center Authority be authorized to
8 impose a retailers' occupation tax, a service occupation
9 tax, and a use tax at the rate of (rate) for the sole
10 purpose of obtaining funds for the support, construction,
11 maintenance, or financing of a facility of the Authority?"

12 Votes shall be recorded as "yes" or "no".

13 If a majority of all votes cast on the proposition are in
14 favor of the proposition, the Authority is authorized to
15 impose the tax.

16 (b) The Authority shall impose the retailers' occupation
17 tax upon all persons engaged in the business of selling
18 tangible personal property at retail in the metropolitan area,
19 at the rate approved by referendum, on the gross receipts from
20 the sales made in the course of such business within the
21 metropolitan area. Beginning December 1, 2019 and through
22 December 31, 2020, this tax is not imposed on sales of aviation
23 fuel unless the tax revenue is expended for airport-related
24 purposes. If the Authority does not have an airport-related
25 purpose to which it dedicates aviation fuel tax revenue, then
26 aviation fuel is excluded from the tax. The Authority must

1 comply with the certification requirements for airport-related
2 purposes under Section 2-22 of the Retailers' Occupation Tax
3 Act. For purposes of this Section, "airport-related purposes"
4 has the meaning ascribed in Section 6z-20.2 of the State
5 Finance Act. Beginning January 1, 2021, this tax is not
6 imposed on sales of aviation fuel for so long as the revenue
7 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
8 binding on the Authority.

9 The tax imposed under this Section and all civil penalties
10 that may be assessed as an incident thereof shall be collected
11 and enforced by the Department of Revenue. The Department has
12 full power to administer and enforce this Section; to collect
13 all taxes and penalties so collected in the manner provided in
14 this Section; and to determine all rights to credit memoranda
15 arising on account of the erroneous payment of tax or penalty
16 hereunder. In the administration of, and compliance with, this
17 Section, the Department and persons who are subject to this
18 Section shall (i) have the same rights, remedies, privileges,
19 immunities, powers and duties, (ii) be subject to the same
20 conditions, restrictions, limitations, penalties, exclusions,
21 exemptions, and definitions of terms, and (iii) employ the
22 same modes of procedure as are prescribed in Sections 1, 1a,
23 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10
24 (in respect to all provisions therein other than the State
25 rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as
26 to the disposition of taxes and penalties collected and

1 provisions related to quarter monthly payments, and except
2 that the retailer's discount is not allowed for taxes paid on
3 aviation fuel that are subject to the revenue use requirements
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
5 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 7, 8, 9,
6 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
7 and Section 3-7 of the Uniform Penalty and Interest Act, as
8 fully as if those provisions were set forth in this
9 subsection.

10 Persons subject to any tax imposed under this subsection
11 may reimburse themselves for their seller's tax liability by
12 separately stating the tax as an additional charge, which
13 charge may be stated in combination, in a single amount, with
14 State taxes that sellers are required to collect, in
15 accordance with such bracket schedules as the Department may
16 prescribe.

17 Whenever the Department determines that a refund should be
18 made under this subsection to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the warrant to be drawn for the
21 amount specified, and to the person named, in the notification
22 from the Department. The refund shall be paid by the State
23 Treasurer out of the tax fund referenced under paragraph (g)
24 of this Section or the Local Government Aviation Trust Fund,
25 as appropriate.

26 If a tax is imposed under this subsection (b), a tax shall

1 also be imposed at the same rate under subsections (c) and (d)
2 of this Section.

3 For the purpose of determining whether a tax authorized
4 under this Section is applicable, a retail sale, by a producer
5 of coal or other mineral mined in Illinois, is a sale at retail
6 at the place where the coal or other mineral mined in Illinois
7 is extracted from the earth. This paragraph does not apply to
8 coal or other mineral when it is delivered or shipped by the
9 seller to the purchaser at a point outside Illinois so that the
10 sale is exempt under the Federal Constitution as a sale in
11 interstate or foreign commerce.

12 Nothing in this Section shall be construed to authorize
13 the Authority to impose a tax upon the privilege of engaging in
14 any business which under the Constitution of the United States
15 may not be made the subject of taxation by this State.

16 (c) If a tax has been imposed under subsection (b), a
17 service occupation tax shall also be imposed at the same rate
18 upon all persons engaged, in the metropolitan area, in the
19 business of making sales of service, who, as an incident to
20 making those sales of service, transfer tangible personal
21 property within the metropolitan area as an incident to a sale
22 of service. The tax imposed under this subsection and all
23 civil penalties that may be assessed as an incident thereof
24 shall be collected and enforced by the Department of Revenue.

25 Beginning December 1, 2019 and through December 31, 2020,
26 this tax is not imposed on sales of aviation fuel unless the

1 tax revenue is expended for airport-related purposes. If the
2 Authority does not have an airport-related purpose to which it
3 dedicates aviation fuel tax revenue, then aviation fuel is
4 excluded from the tax. The Authority must comply with the
5 certification requirements for airport-related purposes under
6 Section 2-22 of the Retailers' Occupation Tax Act. Beginning
7 January 1, 2021, this tax is not imposed on sales of aviation
8 fuel for so long as the revenue use requirements of 49 U.S.C.
9 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

10 The Department has full power to administer and enforce
11 this paragraph; to collect all taxes and penalties due
12 hereunder; to dispose of taxes and penalties so collected in
13 the manner hereinafter provided; and to determine all rights
14 to credit memoranda arising on account of the erroneous
15 payment of tax or penalty hereunder. In the administration of,
16 and compliance with this paragraph, the Department and persons
17 who are subject to this paragraph shall (i) have the same
18 rights, remedies, privileges, immunities, powers, and duties,
19 (ii) be subject to the same conditions, restrictions,
20 limitations, penalties, exclusions, exemptions, and
21 definitions of terms, and (iii) employ the same modes of
22 procedure as are prescribed in Sections 2 (except that the
23 reference to State in the definition of supplier maintaining a
24 place of business in this State shall mean the metropolitan
25 area), 2a, 2b, 3 through 3-55 (in respect to all provisions
26 therein other than the State rate of tax), 4 (except that the

1 reference to the State shall be to the Authority), 5, 7, 8
2 (except that the jurisdiction to which the tax shall be a debt
3 to the extent indicated in that Section 8 shall be the
4 Authority), 9 (except as to the disposition of taxes and
5 penalties collected, and except that the returned merchandise
6 credit for this tax may not be taken against any State tax, and
7 except that the retailer's discount is not allowed for taxes
8 paid on aviation fuel that are subject to the revenue use
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,
10 12 (except the reference therein to Section 2b of the
11 Retailers' Occupation Tax Act), 13 (except that any reference
12 to the State shall mean the Authority), 15, 16, 17, 18, 19 and
13 20 of the Service Occupation Tax Act and Section 3-7 of the
14 Uniform Penalty and Interest Act, as fully as if those
15 provisions were set forth herein.

16 Persons subject to any tax imposed under the authority
17 granted in this subsection may reimburse themselves for their
18 serviceman's tax liability by separately stating the tax as an
19 additional charge, which charge may be stated in combination,
20 in a single amount, with State tax that servicemen are
21 authorized to collect under the Service Use Tax Act, in
22 accordance with such bracket schedules as the Department may
23 prescribe.

24 Whenever the Department determines that a refund should be
25 made under this subsection to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named, in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the tax fund referenced under paragraph (g)
5 of this Section or the Local Government Aviation Trust Fund,
6 as appropriate.

7 Nothing in this paragraph shall be construed to authorize
8 the Authority to impose a tax upon the privilege of engaging in
9 any business which under the Constitution of the United States
10 may not be made the subject of taxation by the State.

11 (c-5) If, on January 1, 2025, a unit of local government
12 has in effect a tax under this Section, or if, after January 1,
13 2025, a unit of local government imposes a tax under this
14 Section, then that tax applies to leases of tangible personal
15 property in effect, entered into, or renewed on or after that
16 date in the same manner as the tax under this Section and in
17 accordance with the changes made by this amendatory Act of the
18 103rd General Assembly.

19 (d) If a tax has been imposed under subsection (b), a use
20 tax shall also be imposed at the same rate upon the privilege
21 of using, in the metropolitan area, any item of tangible
22 personal property that is purchased outside the metropolitan
23 area at retail from a retailer, and that is titled or
24 registered at a location within the metropolitan area with an
25 agency of this State's government. "Selling price" is defined
26 as in the Use Tax Act. The tax shall be collected from persons

1 whose Illinois address for titling or registration purposes is
2 given as being in the metropolitan area. The tax shall be
3 collected by the Department of Revenue for the Authority. The
4 tax must be paid to the State, or an exemption determination
5 must be obtained from the Department of Revenue, before the
6 title or certificate of registration for the property may be
7 issued. The tax or proof of exemption may be transmitted to the
8 Department by way of the State agency with which, or the State
9 officer with whom, the tangible personal property must be
10 titled or registered if the Department and the State agency or
11 State officer determine that this procedure will expedite the
12 processing of applications for title or registration.

13 The Department has full power to administer and enforce
14 this paragraph; to collect all taxes, penalties and interest
15 due hereunder; to dispose of taxes, penalties and interest so
16 collected in the manner hereinafter provided; and to determine
17 all rights to credit memoranda or refunds arising on account
18 of the erroneous payment of tax, penalty or interest
19 hereunder. In the administration of, and compliance with, this
20 subsection, the Department and persons who are subject to this
21 paragraph shall (i) have the same rights, remedies,
22 privileges, immunities, powers, and duties, (ii) be subject to
23 the same conditions, restrictions, limitations, penalties,
24 exclusions, exemptions, and definitions of terms, and (iii)
25 employ the same modes of procedure as are prescribed in
26 Sections 2 (except the definition of "retailer maintaining a

1 place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55,
2 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction
3 to which the tax shall be a debt to the extent indicated in
4 that Section 8 shall be the Authority), 9 (except provisions
5 relating to quarter monthly payments), 10, 11, 12, 12a, 12b,
6 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section
7 3-7 of the Uniform Penalty and Interest Act, that are not
8 inconsistent with this paragraph, as fully as if those
9 provisions were set forth herein.

10 Whenever the Department determines that a refund should be
11 made under this subsection to a claimant instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the order to be drawn for the
14 amount specified, and to the person named, in the notification
15 from the Department. The refund shall be paid by the State
16 Treasurer out of the tax fund referenced under paragraph (g)
17 of this Section.

18 (e) A certificate of registration issued by the State
19 Department of Revenue to a retailer under the Retailers'
20 Occupation Tax Act or under the Service Occupation Tax Act
21 shall permit the registrant to engage in a business that is
22 taxed under the tax imposed under paragraphs (b), (c), or (d)
23 of this Section and no additional registration shall be
24 required. A certificate issued under the Use Tax Act or the
25 Service Use Tax Act shall be applicable with regard to any tax
26 imposed under paragraph (c) of this Section.

1 (f) The results of any election authorizing a proposition
2 to impose a tax under this Section or effecting a change in the
3 rate of tax shall be certified by the proper election
4 authorities and filed with the Illinois Department on or
5 before the first day of April. In addition, an ordinance
6 imposing, discontinuing, or effecting a change in the rate of
7 tax under this Section shall be adopted and a certified copy
8 thereof filed with the Department on or before the first day of
9 April. After proper receipt of such certifications, the
10 Department shall proceed to administer and enforce this
11 Section as of the first day of July next following such
12 adoption and filing.

13 (g) Except as otherwise provided, the Department of
14 Revenue shall, upon collecting any taxes and penalties as
15 provided in this Section, pay the taxes and penalties over to
16 the State Treasurer as trustee for the Authority. The taxes
17 and penalties shall be held in a trust fund outside the State
18 Treasury. Taxes and penalties collected on aviation fuel sold
19 on or after December 1, 2019 and through December 31, 2020,
20 shall be immediately paid over by the Department to the State
21 Treasurer, ex officio, as trustee, for deposit into the Local
22 Government Aviation Trust Fund. The Department shall only pay
23 moneys into the Local Government Aviation Trust Fund under
24 this Section for so long as the revenue use requirements of 49
25 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
26 District. On or before the 25th day of each calendar month, the

1 Department of Revenue shall prepare and certify to the
2 Comptroller of the State of Illinois the amount to be paid to
3 the Authority, which shall be the balance in the fund, less any
4 amount determined by the Department to be necessary for the
5 payment of refunds and not including taxes and penalties
6 collected on aviation fuel sold on or after December 1, 2019.
7 Within 10 days after receipt by the Comptroller of the
8 certification of the amount to be paid to the Authority, the
9 Comptroller shall cause an order to be drawn for payment for
10 the amount in accordance with the directions contained in the
11 certification. Amounts received from the tax imposed under
12 this Section shall be used only for the support, construction,
13 maintenance, or financing of a facility of the Authority.

14 (h) When certifying the amount of a monthly disbursement
15 to the Authority under this Section, the Department shall
16 increase or decrease the amounts by an amount necessary to
17 offset any miscalculation of previous disbursements. The
18 offset amount shall be the amount erroneously disbursed within
19 the previous 6 months from the time a miscalculation is
20 discovered.

21 (i) This Section may be cited as the Salem Civic Center Use
22 and Occupation Tax Law.

23 (Source: P.A. 103-592, eff. 1-1-25.)

24 Section 70-85. The Flood Prevention District Act is
25 amended by changing Section 25 as follows:

1 (70 ILCS 750/25)

2 Sec. 25. Flood prevention retailers' and service
3 occupation taxes.

4 (a) If the Board of Commissioners of a flood prevention
5 district determines that an emergency situation exists
6 regarding levee repair or flood prevention, and upon an
7 ordinance confirming the determination adopted by the
8 affirmative vote of a majority of the members of the county
9 board of the county in which the district is situated, the
10 county may impose a flood prevention retailers' occupation tax
11 upon all persons engaged in the business of selling tangible
12 personal property at retail within the territory of the
13 district to provide revenue to pay the costs of providing
14 emergency levee repair and flood prevention and to secure the
15 payment of bonds, notes, and other evidences of indebtedness
16 issued under this Act for a period not to exceed 25 years or as
17 required to repay the bonds, notes, and other evidences of
18 indebtedness issued under this Act. The tax rate shall be
19 0.25% of the gross receipts from all taxable sales made in the
20 course of that business. Beginning December 1, 2019 and
21 through December 31, 2020, this tax is not imposed on sales of
22 aviation fuel unless the tax revenue is expended for
23 airport-related purposes. If the District does not have an
24 airport-related purpose to which it dedicates aviation fuel
25 tax revenue, then aviation fuel is excluded from the tax. The

1 County must comply with the certification requirements for
2 airport-related purposes under Section 2-22 of the Retailers'
3 Occupation Tax Act. The tax imposed under this Section and all
4 civil penalties that may be assessed as an incident thereof
5 shall be collected and enforced by the State Department of
6 Revenue. The Department shall have full power to administer
7 and enforce this Section; to collect all taxes and penalties
8 so collected in the manner hereinafter provided; and to
9 determine all rights to credit memoranda arising on account of
10 the erroneous payment of tax or penalty hereunder.

11 For purposes of this Act, "airport-related purposes" has
12 the meaning ascribed in Section 6z-20.2 of the State Finance
13 Act. Beginning January 1, 2021, this tax is not imposed on
14 sales of aviation fuel for so long as the revenue use
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
16 binding on the District.

17 In the administration of and compliance with this
18 subsection, the Department and persons who are subject to this
19 subsection (i) have the same rights, remedies, privileges,
20 immunities, powers, and duties, (ii) are subject to the same
21 conditions, restrictions, limitations, penalties, and
22 definitions of terms, and (iii) shall employ the same modes of
23 procedure as are set forth in Sections 1 through 10, 2 through
24 2-70 (in respect to all provisions contained in those Sections
25 other than the State rate of tax), 2a through 2h, 3 (except as
26 to the disposition of taxes and penalties collected, and

1 except that the retailer's discount is not allowed for taxes
2 paid on aviation fuel that are subject to the revenue use
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
4 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a,
5 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
6 Occupation Tax Act and all provisions of the Uniform Penalty
7 and Interest Act as if those provisions were set forth in this
8 subsection.

9 Persons subject to any tax imposed under this Section may
10 reimburse themselves for their seller's tax liability
11 hereunder by separately stating the tax as an additional
12 charge, which charge may be stated in combination in a single
13 amount with State taxes that sellers are required to collect
14 under the Use Tax Act, under any bracket schedules the
15 Department may prescribe.

16 If a tax is imposed under this subsection (a), a tax shall
17 also be imposed under subsection (b) of this Section.

18 (b) If a tax has been imposed under subsection (a), a flood
19 prevention service occupation tax shall also be imposed upon
20 all persons engaged within the territory of the district in
21 the business of making sales of service, who, as an incident to
22 making the sales of service, transfer tangible personal
23 property, either in the form of tangible personal property or
24 in the form of real estate as an incident to a sale of service
25 to provide revenue to pay the costs of providing emergency
26 levee repair and flood prevention and to secure the payment of

1 bonds, notes, and other evidences of indebtedness issued under
2 this Act for a period not to exceed 25 years or as required to
3 repay the bonds, notes, and other evidences of indebtedness.
4 The tax rate shall be 0.25% of the selling price of all
5 tangible personal property transferred. Beginning December 1,
6 2019 and through December 31, 2020, this tax is not imposed on
7 sales of aviation fuel unless the tax revenue is expended for
8 airport-related purposes. If the District does not have an
9 airport-related purpose to which it dedicates aviation fuel
10 tax revenue, then aviation fuel is excluded from the tax. The
11 County must comply with the certification requirements for
12 airport-related purposes under Section 2-22 of the Retailers'
13 Occupation Tax Act. For purposes of this Act, "airport-related
14 purposes" has the meaning ascribed in Section 6z-20.2 of the
15 State Finance Act. Beginning January 1, 2021, this tax is not
16 imposed on sales of aviation fuel for so long as the revenue
17 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
18 binding on the District.

19 The tax imposed under this subsection and all civil
20 penalties that may be assessed as an incident thereof shall be
21 collected and enforced by the State Department of Revenue. The
22 Department shall have full power to administer and enforce
23 this subsection; to collect all taxes and penalties due
24 hereunder; to dispose of taxes and penalties collected in the
25 manner hereinafter provided; and to determine all rights to
26 credit memoranda arising on account of the erroneous payment

1 of tax or penalty hereunder.

2 In the administration of and compliance with this
3 subsection, the Department and persons who are subject to this
4 subsection shall (i) have the same rights, remedies,
5 privileges, immunities, powers, and duties, (ii) be subject to
6 the same conditions, restrictions, limitations, penalties, and
7 definitions of terms, and (iii) employ the same modes of
8 procedure as are set forth in Sections 2 (except that the
9 reference to State in the definition of supplier maintaining a
10 place of business in this State means the district), 2a
11 through 2d, 3 through 3-50 (in respect to all provisions
12 contained in those Sections other than the State rate of tax),
13 4 (except that the reference to the State shall be to the
14 district), 5, 7, 8 (except that the jurisdiction to which the
15 tax is a debt to the extent indicated in that Section 8 is the
16 district), 9 (except as to the disposition of taxes and
17 penalties collected, and except that the retailer's discount
18 is not allowed for taxes paid on aviation fuel that are subject
19 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133), 10, 11, 12 (except the reference therein to
21 Section 2b of the Retailers' Occupation Tax Act), 13 (except
22 that any reference to the State means the district), Section
23 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act
24 and all provisions of the Uniform Penalty and Interest Act, as
25 fully as if those provisions were set forth herein.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their
2 serviceman's tax liability hereunder by separately stating the
3 tax as an additional charge, that charge may be stated in
4 combination in a single amount with State tax that servicemen
5 are authorized to collect under the Service Use Tax Act, under
6 any bracket schedules the Department may prescribe.

7 (c) The taxes imposed in subsections (a) and (b) may not be
8 imposed on personal property titled or registered with an
9 agency of the State or on personal property taxed at the 1%
10 rate under the Retailers' Occupation Tax Act and the Service
11 Occupation Tax Act (or at the 0% rate imposed under this
12 amendatory Act of the 102nd General Assembly).

13 (c-5) If, on January 1, 2025, a unit of local government
14 has in effect a tax under this Section, or if, after January 1,
15 2025, a unit of local government imposes a tax under this
16 Section, then that tax applies to leases of tangible personal
17 property in effect, entered into, or renewed on or after that
18 date in the same manner as the tax under this Section and in
19 accordance with the changes made by this amendatory Act of the
20 103rd General Assembly.

21 (d) Nothing in this Section shall be construed to
22 authorize the district to impose a tax upon the privilege of
23 engaging in any business that under the Constitution of the
24 United States may not be made the subject of taxation by the
25 State.

26 (e) The certificate of registration that is issued by the

1 Department to a retailer under the Retailers' Occupation Tax
2 Act or a serviceman under the Service Occupation Tax Act
3 permits the retailer or serviceman to engage in a business
4 that is taxable without registering separately with the
5 Department under an ordinance or resolution under this
6 Section.

7 (f) Except as otherwise provided, the Department shall
8 immediately pay over to the State Treasurer, ex officio, as
9 trustee, all taxes and penalties collected under this Section
10 to be deposited into the Flood Prevention Occupation Tax Fund,
11 which shall be an unappropriated trust fund held outside the
12 State treasury. Taxes and penalties collected on aviation fuel
13 sold on or after December 1, 2019 and through December 31,
14 2020, shall be immediately paid over by the Department to the
15 State Treasurer, ex officio, as trustee, for deposit into the
16 Local Government Aviation Trust Fund. The Department shall
17 only pay moneys into the Local Government Aviation Trust Fund
18 under this Act for so long as the revenue use requirements of
19 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
20 District.

21 On or before the 25th day of each calendar month, the
22 Department shall prepare and certify to the Comptroller the
23 disbursement of stated sums of money to the counties from
24 which retailers or servicemen have paid taxes or penalties to
25 the Department during the second preceding calendar month. The
26 amount to be paid to each county is equal to the amount (not

1 including credit memoranda and not including taxes and
2 penalties collected on aviation fuel sold on or after December
3 1, 2019 and through December 31, 2020) collected from the
4 county under this Section during the second preceding calendar
5 month by the Department, (i) less 2% of that amount (except the
6 amount collected on aviation fuel sold on or after December 1,
7 2019 and through December 31, 2020), which shall be deposited
8 into the Tax Compliance and Administration Fund and shall be
9 used by the Department in administering and enforcing the
10 provisions of this Section on behalf of the county, (ii) plus
11 an amount that the Department determines is necessary to
12 offset any amounts that were erroneously paid to a different
13 taxing body; (iii) less an amount equal to the amount of
14 refunds made during the second preceding calendar month by the
15 Department on behalf of the county; and (iv) less any amount
16 that the Department determines is necessary to offset any
17 amounts that were payable to a different taxing body but were
18 erroneously paid to the county. When certifying the amount of
19 a monthly disbursement to a county under this Section, the
20 Department shall increase or decrease the amounts by an amount
21 necessary to offset any miscalculation of previous
22 disbursements within the previous 6 months from the time a
23 miscalculation is discovered.

24 Within 10 days after receipt by the Comptroller from the
25 Department of the disbursement certification to the counties
26 provided for in this Section, the Comptroller shall cause the

1 orders to be drawn for the respective amounts in accordance
2 with directions contained in the certification.

3 If the Department determines that a refund should be made
4 under this Section to a claimant instead of issuing a credit
5 memorandum, then the Department shall notify the Comptroller,
6 who shall cause the order to be drawn for the amount specified
7 and to the person named in the notification from the
8 Department. The refund shall be paid by the Treasurer out of
9 the Flood Prevention Occupation Tax Fund or the Local
10 Government Aviation Trust Fund, as appropriate.

11 (g) If a county imposes a tax under this Section, then the
12 county board shall, by ordinance, discontinue the tax upon the
13 payment of all indebtedness of the flood prevention district.
14 The tax shall not be discontinued until all indebtedness of
15 the District has been paid.

16 (h) Any ordinance imposing the tax under this Section, or
17 any ordinance that discontinues the tax, must be certified by
18 the county clerk and filed with the Illinois Department of
19 Revenue either (i) on or before the first day of April,
20 whereupon the Department shall proceed to administer and
21 enforce the tax or change in the rate as of the first day of
22 July next following the filing; or (ii) on or before the first
23 day of October, whereupon the Department shall proceed to
24 administer and enforce the tax or change in the rate as of the
25 first day of January next following the filing.

26 (j) County Flood Prevention Occupation Tax Fund. All

1 proceeds received by a county from a tax distribution under
2 this Section must be maintained in a special fund known as the
3 [name of county] flood prevention occupation tax fund. The
4 county shall, at the direction of the flood prevention
5 district, use moneys in the fund to pay the costs of providing
6 emergency levee repair and flood prevention and to pay bonds,
7 notes, and other evidences of indebtedness issued under this
8 Act.

9 (k) This Section may be cited as the Flood Prevention
10 Occupation Tax Law.

11 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

12 Section 70-90. The Metro-East Park and Recreation District
13 Act is amended by changing Section 30 as follows:

14 (70 ILCS 1605/30)

15 Sec. 30. Taxes.

16 (a) The board shall impose a tax upon all persons engaged
17 in the business of selling tangible personal property, other
18 than personal property titled or registered with an agency of
19 this State's government, at retail in the District on the
20 gross receipts from the sales made in the course of business.
21 This tax shall be imposed only at the rate of one-tenth of one
22 per cent.

23 This additional tax may not be imposed on tangible
24 personal property taxed at the 1% rate under the Retailers'

1 Occupation Tax Act (or at the 0% rate imposed under this
2 amendatory Act of the 102nd General Assembly). Beginning
3 December 1, 2019 and through December 31, 2020, this tax is not
4 imposed on sales of aviation fuel unless the tax revenue is
5 expended for airport-related purposes. If the District does
6 not have an airport-related purpose to which it dedicates
7 aviation fuel tax revenue, then aviation fuel shall be
8 excluded from tax. The board must comply with the
9 certification requirements for airport-related purposes under
10 Section 2-22 of the Retailers' Occupation Tax Act. For
11 purposes of this Act, "airport-related purposes" has the
12 meaning ascribed in Section 6z-20.2 of the State Finance Act.
13 Beginning January 1, 2021, this tax is not imposed on sales of
14 aviation fuel for so long as the revenue use requirements of 49
15 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
16 District. The tax imposed by the Board under this Section and
17 all civil penalties that may be assessed as an incident of the
18 tax shall be collected and enforced by the Department of
19 Revenue. The certificate of registration that is issued by the
20 Department to a retailer under the Retailers' Occupation Tax
21 Act shall permit the retailer to engage in a business that is
22 taxable without registering separately with the Department
23 under an ordinance or resolution under this Section. The
24 Department has full power to administer and enforce this
25 Section, to collect all taxes and penalties due under this
26 Section, to dispose of taxes and penalties so collected in the

1 manner provided in this Section, and to determine all rights
2 to credit memoranda arising on account of the erroneous
3 payment of a tax or penalty under this Section. In the
4 administration of and compliance with this Section, the
5 Department and persons who are subject to this Section shall
6 (i) have the same rights, remedies, privileges, immunities,
7 powers, and duties, (ii) be subject to the same conditions,
8 restrictions, limitations, penalties, and definitions of
9 terms, and (iii) employ the same modes of procedure as are
10 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
11 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
12 contained in those Sections other than the State rate of tax),
13 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
14 relating to transaction returns and quarter monthly payments,
15 and except that the retailer's discount is not allowed for
16 taxes paid on aviation fuel that are subject to the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
18 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l, 5m, 5n, 6, 6a,
19 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
20 Occupation Tax Act and the Uniform Penalty and Interest Act as
21 if those provisions were set forth in this Section.

22 Persons subject to any tax imposed under the authority
23 granted in this Section may reimburse themselves for their
24 sellers' tax liability by separately stating the tax as an
25 additional charge, which charge may be stated in combination,
26 in a single amount, with State tax which sellers are required

1 to collect under the Use Tax Act, pursuant to such bracketed
2 schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified and to the person named in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the State Metro-East Park and Recreation
10 District Fund or the Local Government Aviation Trust Fund, as
11 appropriate.

12 (b) If a tax has been imposed under subsection (a), a
13 service occupation tax shall also be imposed ~~at the same rate~~
14 upon all persons engaged, in the District, in the business of
15 making sales of service, at the same rate of tax imposed under
16 subsection (a), on the selling price of all ~~who, as an incident~~
17 ~~to making those sales of service, transfer~~ tangible personal
18 property transferred by the serviceman ~~within the District~~ as
19 an incident to a sale of service. This tax may not be imposed
20 on tangible personal property taxed at the 1% rate under the
21 Service Occupation Tax Act (or at the 0% rate imposed under
22 this amendatory Act of the 102nd General Assembly). Beginning
23 December 1, 2019 and through December 31, 2020, this tax may
24 not be imposed on sales of aviation fuel unless the tax revenue
25 is expended for airport-related purposes. If the District does
26 not have an airport-related purpose to which it dedicates

1 aviation fuel tax revenue, then aviation fuel shall be
2 excluded from tax. The board must comply with the
3 certification requirements for airport-related purposes under
4 Section 2-22 of the Retailers' Occupation Tax Act. For
5 purposes of this Act, "airport-related purposes" has the
6 meaning ascribed in Section 6z-20.2 of the State Finance Act.
7 Beginning January 1, 2021, this tax is not imposed on sales of
8 aviation fuel for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
10 District. The tax imposed under this subsection and all civil
11 penalties that may be assessed as an incident thereof shall be
12 collected and enforced by the Department of Revenue. The
13 Department has full power to administer and enforce this
14 subsection; to collect all taxes and penalties due hereunder;
15 to dispose of taxes and penalties so collected in the manner
16 hereinafter provided; and to determine all rights to credit
17 memoranda arising on account of the erroneous payment of tax
18 or penalty hereunder. In the administration of, and compliance
19 with this subsection, the Department and persons who are
20 subject to this paragraph shall (i) have the same rights,
21 remedies, privileges, immunities, powers, and duties, (ii) be
22 subject to the same conditions, restrictions, limitations,
23 penalties, exclusions, exemptions, and definitions of terms,
24 and (iii) employ the same modes of procedure as are prescribed
25 in Sections 2 (except that the reference to State in the
26 definition of supplier maintaining a place of business in this

1 State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in
2 respect to all provisions therein other than the State rate of
3 tax), 4 (except that the reference to the State shall be to the
4 District), 5, 7, 8 (except that the jurisdiction to which the
5 tax shall be a debt to the extent indicated in that Section 8
6 shall be the District), 9 (except as to the disposition of
7 taxes and penalties collected, and except that the retailer's
8 discount is not allowed for taxes paid on aviation fuel that
9 are subject to the revenue use requirements of 49 U.S.C.
10 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
11 reference therein to Section 2b of the Retailers' Occupation
12 Tax Act), 13 (except that any reference to the State shall mean
13 the District), Sections 15, 16, 17, 18, 19 and 20 of the
14 Service Occupation Tax Act and the Uniform Penalty and
15 Interest Act, as fully as if those provisions were set forth
16 herein.

17 Persons subject to any tax imposed under the authority
18 granted in this subsection may reimburse themselves for their
19 serviceman's tax liability by separately stating the tax as an
20 additional charge, which charge may be stated in combination,
21 in a single amount, with State tax that servicemen are
22 authorized to collect under the Service Use Tax Act, in
23 accordance with such bracket schedules as the Department may
24 prescribe.

25 Whenever the Department determines that a refund should be
26 made under this subsection to a claimant instead of issuing a

1 credit memorandum, the Department shall notify the State
2 Comptroller, who shall cause the warrant to be drawn for the
3 amount specified, and to the person named, in the notification
4 from the Department. The refund shall be paid by the State
5 Treasurer out of the State Metro-East Park and Recreation
6 District Fund or the Local Government Aviation Trust Fund, as
7 appropriate.

8 Nothing in this subsection shall be construed to authorize
9 the board to impose a tax upon the privilege of engaging in any
10 business which under the Constitution of the United States may
11 not be made the subject of taxation by the State.

12 (b-5) If, on January 1, 2025, a unit of local government
13 has in effect a tax under this Section, or if, after January 1,
14 2025, a unit of local government imposes a tax under this
15 Section, then that tax applies to leases of tangible personal
16 property in effect, entered into, or renewed on or after that
17 date in the same manner as the tax under this Section and in
18 accordance with the changes made by this amendatory Act of the
19 103rd General Assembly.

20 (c) Except as otherwise provided in this paragraph, the
21 Department shall immediately pay over to the State Treasurer,
22 ex officio, as trustee, all taxes and penalties collected
23 under this Section to be deposited into the State Metro-East
24 Park and Recreation District Fund, which shall be an
25 unappropriated trust fund held outside of the State treasury.
26 Taxes and penalties collected on aviation fuel sold on or

1 after December 1, 2019 and through December 31, 2020, shall be
2 immediately paid over by the Department to the State
3 Treasurer, ex officio, as trustee, for deposit into the Local
4 Government Aviation Trust Fund. The Department shall only pay
5 moneys into the Local Government Aviation Trust Fund under
6 this Act for so long as the revenue use requirements of 49
7 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
8 District.

9 As soon as possible after the first day of each month,
10 beginning January 1, 2011, upon certification of the
11 Department of Revenue, the Comptroller shall order
12 transferred, and the Treasurer shall transfer, to the STAR
13 Bonds Revenue Fund the local sales tax increment, as defined
14 in the Innovation Development and Economy Act, collected under
15 this Section during the second preceding calendar month for
16 sales within a STAR bond district. The Department shall make
17 this certification only if the Metro East Park and Recreation
18 District imposes a tax on real property as provided in the
19 definition of "local sales taxes" under the Innovation
20 Development and Economy Act.

21 After the monthly transfer to the STAR Bonds Revenue Fund,
22 on or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money pursuant to Section 35 of
25 this Act to the District from which retailers have paid taxes
26 or penalties to the Department during the second preceding

1 calendar month. The amount to be paid to the District shall be
2 the amount (not including credit memoranda and not including
3 taxes and penalties collected on aviation fuel sold on or
4 after December 1, 2019 and through December 31, 2020)
5 collected under this Section during the second preceding
6 calendar month by the Department plus an amount the Department
7 determines is necessary to offset any amounts that were
8 erroneously paid to a different taxing body, and not including
9 (i) an amount equal to the amount of refunds made during the
10 second preceding calendar month by the Department on behalf of
11 the District, (ii) any amount that the Department determines
12 is necessary to offset any amounts that were payable to a
13 different taxing body but were erroneously paid to the
14 District, (iii) any amounts that are transferred to the STAR
15 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
16 Department shall transfer into the Tax Compliance and
17 Administration Fund. The Department, at the time of each
18 monthly disbursement to the District, shall prepare and
19 certify to the State Comptroller the amount to be transferred
20 into the Tax Compliance and Administration Fund under this
21 subsection. Within 10 days after receipt by the Comptroller of
22 the disbursement certification to the District and the Tax
23 Compliance and Administration Fund provided for in this
24 Section to be given to the Comptroller by the Department, the
25 Comptroller shall cause the orders to be drawn for the
26 respective amounts in accordance with directions contained in

1 the certification.

2 (d) For the purpose of determining whether a tax
3 authorized under this Section is applicable, a retail sale by
4 a producer of coal or another mineral mined in Illinois is a
5 sale at retail at the place where the coal or other mineral
6 mined in Illinois is extracted from the earth. This paragraph
7 does not apply to coal or another mineral when it is delivered
8 or shipped by the seller to the purchaser at a point outside
9 Illinois so that the sale is exempt under the United States
10 Constitution as a sale in interstate or foreign commerce.

11 (e) Nothing in this Section shall be construed to
12 authorize the board to impose a tax upon the privilege of
13 engaging in any business that under the Constitution of the
14 United States may not be made the subject of taxation by this
15 State.

16 (f) An ordinance imposing a tax under this Section or an
17 ordinance extending the imposition of a tax to an additional
18 county or counties shall be certified by the board and filed
19 with the Department of Revenue either (i) on or before the
20 first day of April, whereupon the Department shall proceed to
21 administer and enforce the tax as of the first day of July next
22 following the filing; or (ii) on or before the first day of
23 October, whereupon the Department shall proceed to administer
24 and enforce the tax as of the first day of January next
25 following the filing.

26 (g) When certifying the amount of a monthly disbursement

1 to the District under this Section, the Department shall
2 increase or decrease the amounts by an amount necessary to
3 offset any misallocation of previous disbursements. The offset
4 amount shall be the amount erroneously disbursed within the
5 previous 6 months from the time a misallocation is discovered.

6 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

7 Section 70-95. The Local Mass Transit District Act is
8 amended by changing Section 5.01 as follows:

9 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

10 Sec. 5.01. Metro East Mass Transit District; use and
11 occupation taxes.

12 (a) The Board of Trustees of any Metro East Mass Transit
13 District may, by ordinance adopted with the concurrence of
14 two-thirds of the then trustees, impose throughout the
15 District any or all of the taxes and fees provided in this
16 Section. Except as otherwise provided, all taxes and fees
17 imposed under this Section shall be used only for public mass
18 transportation systems, and the amount used to provide mass
19 transit service to unserved areas of the District shall be in
20 the same proportion to the total proceeds as the number of
21 persons residing in the unserved areas is to the total
22 population of the District. Except as otherwise provided in
23 this Act, taxes imposed under this Section and civil penalties
24 imposed incident thereto shall be collected and enforced by

1 the State Department of Revenue. The Department shall have the
2 power to administer and enforce the taxes and to determine all
3 rights for refunds for erroneous payments of the taxes.

4 (b) The Board may impose a Metro East Mass Transit
5 District Retailers' Occupation Tax upon all persons engaged in
6 the business of selling tangible personal property at retail
7 in the district at a rate of 1/4 of 1%, or as authorized under
8 subsection (d-5) of this Section, of the gross receipts from
9 the sales made in the course of such business within the
10 district, including sales of food for human consumption that
11 is to be consumed off the premises where it is sold (other than
12 alcoholic liquor taxable under Section 8-1 of the Liquor
13 Control Act of 1934, beverages, food consisting of or infused
14 with adult use cannabis, soft drinks, candy, and food that has
15 been prepared for immediate consumption), except that the rate
16 of tax imposed under this Section on sales of aviation fuel on
17 or after December 1, 2019 shall be 0.25% in Madison County
18 unless the Metro-East Mass Transit District in Madison County
19 has an "airport-related purpose" and any additional amount
20 authorized under subsection (d-5) is expended for
21 airport-related purposes. If there is no airport-related
22 purpose to which aviation fuel tax revenue is dedicated, then
23 aviation fuel is excluded from any additional amount
24 authorized under subsection (d-5). The rate in St. Clair
25 County shall be 0.25% unless the Metro-East Mass Transit
26 District in St. Clair County has an "airport-related purpose"

1 and the additional 0.50% of the 0.75% tax on aviation fuel
2 imposed in that County is expended for airport-related
3 purposes. If there is no airport-related purpose to which
4 aviation fuel tax revenue is dedicated, then aviation fuel is
5 excluded from the additional 0.50% of the 0.75% tax.

6 The Board must comply with the certification requirements
7 for airport-related purposes under Section 2-22 of the
8 Retailers' Occupation Tax Act. For purposes of this Section,
9 "airport-related purposes" has the meaning ascribed in Section
10 6z-20.2 of the State Finance Act. This exclusion for aviation
11 fuel only applies for so long as the revenue use requirements
12 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
13 District.

14 The tax imposed under this Section and all civil penalties
15 that may be assessed as an incident thereof shall be collected
16 and enforced by the State Department of Revenue. The
17 Department shall have full power to administer and enforce
18 this Section; to collect all taxes and penalties so collected
19 in the manner hereinafter provided; and to determine all
20 rights to credit memoranda arising on account of the erroneous
21 payment of tax or penalty hereunder. In the administration of,
22 and compliance with, this Section, the Department and persons
23 who are subject to this Section shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions and definitions of terms and

1 employ the same modes of procedure, as are prescribed in
2 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
3 (in respect to all provisions therein other than the State
4 rate of tax and other than the exemption for food for human
5 consumption that is to be consumed off the premises where it is
6 sold (other than alcoholic liquor taxable under Section 8-1 of
7 the Liquor Control Act of 1934, ~~beverages,~~ food consisting of
8 or infused with adult use cannabis, soft drinks, candy, and
9 food that has been prepared for immediate consumption), which
10 is taxed at the rate as provided in this subsection), 2c, 3
11 (except as to the disposition of taxes and penalties
12 collected, and except that the retailer's discount is not
13 allowed for taxes paid on aviation fuel that are subject to the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h,~~ 5i, 5j, 5k, 5l,
16 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of
17 the Retailers' Occupation Tax Act and Section 3-7 of the
18 Uniform Penalty and Interest Act, as fully as if those
19 provisions were set forth herein.

20 Persons subject to any tax imposed under the Section may
21 reimburse themselves for their seller's tax liability
22 hereunder by separately stating the tax as an additional
23 charge, which charge may be stated in combination, in a single
24 amount, with State taxes that sellers are required to collect
25 under the Use Tax Act, in accordance with such bracket
26 schedules as the Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this Section to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the Metro East Mass Transit District tax fund
8 established under paragraph (h) of this Section or the Local
9 Government Aviation Trust Fund, as appropriate.

10 If a tax is imposed under this subsection (b), a tax shall
11 also be imposed under subsections (c) and (d) of this Section.

12 For the purpose of determining whether a tax authorized
13 under this Section is applicable, a retail sale, by a producer
14 of coal or other mineral mined in Illinois, is a sale at retail
15 at the place where the coal or other mineral mined in Illinois
16 is extracted from the earth. This paragraph does not apply to
17 coal or other mineral when it is delivered or shipped by the
18 seller to the purchaser at a point outside Illinois so that the
19 sale is exempt under the Federal Constitution as a sale in
20 interstate or foreign commerce.

21 No tax shall be imposed or collected under this subsection
22 on the sale of a motor vehicle in this State to a resident of
23 another state if that motor vehicle will not be titled in this
24 State.

25 Nothing in this Section shall be construed to authorize
26 the Metro East Mass Transit District to impose a tax upon the

1 privilege of engaging in any business which under the
2 Constitution of the United States may not be made the subject
3 of taxation by this State.

4 (c) If a tax has been imposed under subsection (b), a Metro
5 East Mass Transit District Service Occupation Tax shall also
6 be imposed upon all persons engaged, in the district, in the
7 business of making sales of service, who, as an incident to
8 making those sales of service, transfer tangible personal
9 property within the District, either in the form of tangible
10 personal property or in the form of real estate as an incident
11 to a sale of service. The tax rate shall be (1) 1/4%, or as
12 authorized under subsection (d-5) of this Section, of the
13 selling price of tangible personal property so transferred
14 within the district, including food for human consumption that
15 is to be consumed off the premises where it is sold (other than
16 alcoholic liquor taxable under Section 8-1 of the Liquor
17 Control Act of 1934, beverages, food consisting of or infused
18 with adult use cannabis, soft drinks, candy, and food that has
19 been prepared for immediate consumption); and (2) 1/4%, or as
20 authorized under subsection (d-5) of this Section, of the
21 serviceman's cost price of food prepared for immediate
22 consumption and transferred incident to a sale of service
23 subject to the service occupation tax by an entity that is
24 licensed under the Hospital Licensing Act, the Nursing Home
25 Care Act, the Assisted Living and Shared Housing Act, the
26 Specialized Mental Health Rehabilitation Act of 2013, the

1 ID/DD Community Care Act, or the MC/DD Act, or the Child Care
2 Act of 1969, or an entity that holds a permit issued pursuant
3 to the Life Care Facilities Act. However, the rate of tax
4 imposed in these Counties under this Section on sales of
5 aviation fuel on or after December 1, 2019 shall be 0.25% in
6 Madison County unless the Metro-East Mass Transit District in
7 Madison County has an "airport-related purpose" and any
8 additional amount authorized under subsection (d-5) is
9 expended for airport-related purposes. If there is no
10 airport-related purpose to which aviation fuel tax revenue is
11 dedicated, then aviation fuel is excluded from any additional
12 amount authorized under subsection (d-5). The rate in St.
13 Clair County shall be 0.25% unless the Metro-East Mass Transit
14 District in St. Clair County has an "airport-related purpose"
15 and the additional 0.50% of the 0.75% tax on aviation fuel is
16 expended for airport-related purposes. If there is no
17 airport-related purpose to which aviation fuel tax revenue is
18 dedicated, then aviation fuel is excluded from the additional
19 0.50% of the 0.75% tax.

20 The Board must comply with the certification requirements
21 for airport-related purposes under Section 2-22 of the
22 Retailers' Occupation Tax Act. For purposes of this Section,
23 "airport-related purposes" has the meaning ascribed in Section
24 6z-20.2 of the State Finance Act. This exclusion for aviation
25 fuel only applies for so long as the revenue use requirements
26 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the

1 District.

2 The tax imposed under this paragraph and all civil
3 penalties that may be assessed as an incident thereof shall be
4 collected and enforced by the State Department of Revenue. The
5 Department shall have full power to administer and enforce
6 this paragraph; to collect all taxes and penalties due
7 hereunder; to dispose of taxes and penalties so collected in
8 the manner hereinafter provided; and to determine all rights
9 to credit memoranda arising on account of the erroneous
10 payment of tax or penalty hereunder. In the administration of,
11 and compliance with this paragraph, the Department and persons
12 who are subject to this paragraph shall have the same rights,
13 remedies, privileges, immunities, powers and duties, and be
14 subject to the same conditions, restrictions, limitations,
15 penalties, exclusions, exemptions and definitions of terms and
16 employ the same modes of procedure as are prescribed in
17 Sections 1a-1, 2 (except that the reference to State in the
18 definition of supplier maintaining a place of business in this
19 State shall mean the Authority), 2a, 3 through 3-50 (in
20 respect to all provisions therein other than (i) the State
21 rate of tax; (ii) the exemption for food for human consumption
22 that is to be consumed off the premises where it is sold (other
23 than alcoholic liquor taxable under Section 8-1 of the Liquor
24 Control Act of 1934, beverages, food consisting of or infused
25 with adult use cannabis, soft drinks, candy, and food that has
26 been prepared for immediate consumption), which is taxed at

1 the rate as provided in this subsection; and (iii) the
2 exemption for food prepared for immediate consumption and
3 transferred incident to a sale of service subject to the
4 service occupation tax by an entity that is licensed under the
5 Hospital Licensing Act, the Nursing Home Care Act, the
6 Assisted Living and Shared Housing Act, the Specialized Mental
7 Health Rehabilitation Act of 2013, the ID/DD Community Care
8 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
9 entity that holds a permit issued pursuant to the Life Care
10 Facilities Act, which is taxed at the rate as provided in this
11 subsection), 4 (except that the reference to the State shall
12 be to the Authority), 5, 7, 8 (except that the jurisdiction to
13 which the tax shall be a debt to the extent indicated in that
14 Section 8 shall be the District), 9 (except as to the
15 disposition of taxes and penalties collected, and except that
16 the returned merchandise credit for this tax may not be taken
17 against any State tax, and except that the retailer's discount
18 is not allowed for taxes paid on aviation fuel that are subject
19 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133), 10, 11, 12 (except the reference therein to
21 Section 2b of the Retailers' Occupation Tax Act), 13 (except
22 that any reference to the State shall mean the District), the
23 first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
24 Service Occupation Tax Act and Section 3-7 of the Uniform
25 Penalty and Interest Act, as fully as if those provisions were
26 set forth herein.

1 Persons subject to any tax imposed under the authority
2 granted in this paragraph may reimburse themselves for their
3 serviceman's tax liability hereunder by separately stating the
4 tax as an additional charge, which charge may be stated in
5 combination, in a single amount, with State tax that
6 servicemen are authorized to collect under the Service Use Tax
7 Act, in accordance with such bracket schedules as the
8 Department may prescribe.

9 Whenever the Department determines that a refund should be
10 made under this paragraph to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the warrant to be drawn for the
13 amount specified, and to the person named, in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the Metro East Mass Transit District tax fund
16 established under paragraph (h) of this Section or the Local
17 Government Aviation Trust Fund, as appropriate.

18 Nothing in this paragraph shall be construed to authorize
19 the District to impose a tax upon the privilege of engaging in
20 any business which under the Constitution of the United States
21 may not be made the subject of taxation by the State.

22 (d) If a tax has been imposed under subsection (b), a Metro
23 East Mass Transit District Use Tax shall also be imposed upon
24 the privilege of using, in the district, any item of tangible
25 personal property that is purchased outside the district at
26 retail from a retailer, and that is titled or registered with

1 an agency of this State's government, at a rate of 1/4%, or as
2 authorized under subsection (d-5) of this Section, of the
3 selling price of the tangible personal property within the
4 District, as "selling price" is defined in the Use Tax Act. The
5 tax shall be collected from persons whose Illinois address for
6 titling or registration purposes is given as being in the
7 District. The tax shall be collected by the Department of
8 Revenue for the Metro East Mass Transit District. The tax must
9 be paid to the State, or an exemption determination must be
10 obtained from the Department of Revenue, before the title or
11 certificate of registration for the property may be issued.
12 The tax or proof of exemption may be transmitted to the
13 Department by way of the State agency with which, or the State
14 officer with whom, the tangible personal property must be
15 titled or registered if the Department and the State agency or
16 State officer determine that this procedure will expedite the
17 processing of applications for title or registration.

18 The Department shall have full power to administer and
19 enforce this paragraph; to collect all taxes, penalties and
20 interest due hereunder; to dispose of taxes, penalties and
21 interest so collected in the manner hereinafter provided; and
22 to determine all rights to credit memoranda or refunds arising
23 on account of the erroneous payment of tax, penalty or
24 interest hereunder. In the administration of, and compliance
25 with, this paragraph, the Department and persons who are
26 subject to this paragraph shall have the same rights,

1 remedies, privileges, immunities, powers and duties, and be
2 subject to the same conditions, restrictions, limitations,
3 penalties, exclusions, exemptions and definitions of terms and
4 employ the same modes of procedure, as are prescribed in
5 Sections 2 (except the definition of "retailer maintaining a
6 place of business in this State"), 3 through 3-80 (except
7 provisions pertaining to the State rate of tax, and except
8 provisions concerning collection or refunding of the tax by
9 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
10 pertaining to claims by retailers and except the last
11 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
12 and Section 3-7 of the Uniform Penalty and Interest Act, that
13 are not inconsistent with this paragraph, as fully as if those
14 provisions were set forth herein.

15 Whenever the Department determines that a refund should be
16 made under this paragraph to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified, and to the person named, in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the Metro East Mass Transit District tax fund
22 established under paragraph (h) of this Section.

23 (d-1) If, on January 1, 2025, a unit of local government
24 has in effect a tax under subsections (b), (c), and (d) or if,
25 after January 1, 2025, a unit of local government imposes a tax
26 under subsections (b), (c), and (d), then that tax applies to

1 leases of tangible personal property in effect, entered into,
2 or renewed on or after that date in the same manner as the tax
3 under this Section and in accordance with the changes made by
4 this amendatory Act of the 103rd General Assembly.

5 (d-5) (A) The county board of any county participating in
6 the Metro East Mass Transit District may authorize, by
7 ordinance, a referendum on the question of whether the tax
8 rates for the Metro East Mass Transit District Retailers'
9 Occupation Tax, the Metro East Mass Transit District Service
10 Occupation Tax, and the Metro East Mass Transit District Use
11 Tax for the District should be increased from 0.25% to 0.75%.
12 Upon adopting the ordinance, the county board shall certify
13 the proposition to the proper election officials who shall
14 submit the proposition to the voters of the District at the
15 next election, in accordance with the general election law.

16 The proposition shall be in substantially the following
17 form:

18 Shall the tax rates for the Metro East Mass Transit
19 District Retailers' Occupation Tax, the Metro East Mass
20 Transit District Service Occupation Tax, and the Metro
21 East Mass Transit District Use Tax be increased from 0.25%
22 to 0.75%?

23 (B) Two thousand five hundred electors of any Metro East
24 Mass Transit District may petition the Chief Judge of the
25 Circuit Court, or any judge of that Circuit designated by the
26 Chief Judge, in which that District is located to cause to be

1 submitted to a vote of the electors the question whether the
2 tax rates for the Metro East Mass Transit District Retailers'
3 Occupation Tax, the Metro East Mass Transit District Service
4 Occupation Tax, and the Metro East Mass Transit District Use
5 Tax for the District should be increased from 0.25% to 0.75%.

6 Upon submission of such petition the court shall set a
7 date not less than 10 nor more than 30 days thereafter for a
8 hearing on the sufficiency thereof. Notice of the filing of
9 such petition and of such date shall be given in writing to the
10 District and the County Clerk at least 7 days before the date
11 of such hearing.

12 If such petition is found sufficient, the court shall
13 enter an order to submit that proposition at the next
14 election, in accordance with general election law.

15 The form of the petition shall be in substantially the
16 following form: To the Circuit Court of the County of (name of
17 county):

18 We, the undersigned electors of the (name of transit
19 district), respectfully petition your honor to submit to a
20 vote of the electors of (name of transit district) the
21 following proposition:

22 Shall the tax rates for the Metro East Mass Transit
23 District Retailers' Occupation Tax, the Metro East Mass
24 Transit District Service Occupation Tax, and the Metro
25 East Mass Transit District Use Tax be increased from 0.25%
26 to 0.75%?

1 Name Address, with Street and Number.

2

3

4 (C) The votes shall be recorded as "YES" or "NO". If a
5 majority of all votes cast on the proposition are for the
6 increase in the tax rates, the Metro East Mass Transit
7 District shall begin imposing the increased rates in the
8 District, and the Department of Revenue shall begin collecting
9 the increased amounts, as provided under this Section. An
10 ordinance imposing or discontinuing a tax hereunder or
11 effecting a change in the rate thereof shall be adopted and a
12 certified copy thereof filed with the Department on or before
13 the first day of October, whereupon the Department shall
14 proceed to administer and enforce this Section as of the first
15 day of January next following the adoption and filing, or on or
16 before the first day of April, whereupon the Department shall
17 proceed to administer and enforce this Section as of the first
18 day of July next following the adoption and filing.

19 (D) If the voters have approved a referendum under this
20 subsection, before November 1, 1994, to increase the tax rate
21 under this subsection, the Metro East Mass Transit District
22 Board of Trustees may adopt by a majority vote an ordinance at
23 any time before January 1, 1995 that excludes from the rate
24 increase tangible personal property that is titled or
25 registered with an agency of this State's government. The
26 ordinance excluding titled or registered tangible personal

1 property from the rate increase must be filed with the
2 Department at least 15 days before its effective date. At any
3 time after adopting an ordinance excluding from the rate
4 increase tangible personal property that is titled or
5 registered with an agency of this State's government, the
6 Metro East Mass Transit District Board of Trustees may adopt
7 an ordinance applying the rate increase to that tangible
8 personal property. The ordinance shall be adopted, and a
9 certified copy of that ordinance shall be filed with the
10 Department, on or before October 1, whereupon the Department
11 shall proceed to administer and enforce the rate increase
12 against tangible personal property titled or registered with
13 an agency of this State's government as of the following
14 January 1. After December 31, 1995, any reimposed rate
15 increase in effect under this subsection shall no longer apply
16 to tangible personal property titled or registered with an
17 agency of this State's government. Beginning January 1, 1996,
18 the Board of Trustees of any Metro East Mass Transit District
19 may never reimpose a previously excluded tax rate increase on
20 tangible personal property titled or registered with an agency
21 of this State's government. After July 1, 2004, if the voters
22 have approved a referendum under this subsection to increase
23 the tax rate under this subsection, the Metro East Mass
24 Transit District Board of Trustees may adopt by a majority
25 vote an ordinance that excludes from the rate increase
26 tangible personal property that is titled or registered with

1 an agency of this State's government. The ordinance excluding
2 titled or registered tangible personal property from the rate
3 increase shall be adopted, and a certified copy of that
4 ordinance shall be filed with the Department on or before
5 October 1, whereupon the Department shall administer and
6 enforce this exclusion from the rate increase as of the
7 following January 1, or on or before April 1, whereupon the
8 Department shall administer and enforce this exclusion from
9 the rate increase as of the following July 1. The Board of
10 Trustees of any Metro East Mass Transit District may never
11 reimpose a previously excluded tax rate increase on tangible
12 personal property titled or registered with an agency of this
13 State's government.

14 (d-6) If the Board of Trustees of any Metro East Mass
15 Transit District has imposed a rate increase under subsection
16 (d-5) and filed an ordinance with the Department of Revenue
17 excluding titled property from the higher rate, then that
18 Board may, by ordinance adopted with the concurrence of
19 two-thirds of the then trustees, impose throughout the
20 District a fee. The fee on the excluded property shall not
21 exceed \$20 per retail transaction or an amount equal to the
22 amount of tax excluded, whichever is less, on tangible
23 personal property that is titled or registered with an agency
24 of this State's government. Beginning July 1, 2004, the fee
25 shall apply only to titled property that is subject to either
26 the Metro East Mass Transit District Retailers' Occupation Tax

1 or the Metro East Mass Transit District Service Occupation
2 Tax. No fee shall be imposed or collected under this
3 subsection on the sale of a motor vehicle in this State to a
4 resident of another state if that motor vehicle will not be
5 titled in this State.

6 (d-7) Until June 30, 2004, if a fee has been imposed under
7 subsection (d-6), a fee shall also be imposed upon the
8 privilege of using, in the district, any item of tangible
9 personal property that is titled or registered with any agency
10 of this State's government, in an amount equal to the amount of
11 the fee imposed under subsection (d-6).

12 (d-7.1) Beginning July 1, 2004, any fee imposed by the
13 Board of Trustees of any Metro East Mass Transit District
14 under subsection (d-6) and all civil penalties that may be
15 assessed as an incident of the fees shall be collected and
16 enforced by the State Department of Revenue. Reference to
17 "taxes" in this Section shall be construed to apply to the
18 administration, payment, and remittance of all fees under this
19 Section. For purposes of any fee imposed under subsection
20 (d-6), 4% of the fee, penalty, and interest received by the
21 Department in the first 12 months that the fee is collected and
22 enforced by the Department and 2% of the fee, penalty, and
23 interest following the first 12 months (except the amount
24 collected on aviation fuel sold on or after December 1, 2019)
25 shall be deposited into the Tax Compliance and Administration
26 Fund and shall be used by the Department, subject to

1 appropriation, to cover the costs of the Department. No
2 retailers' discount shall apply to any fee imposed under
3 subsection (d-6).

4 (d-8) No item of titled property shall be subject to both
5 the higher rate approved by referendum, as authorized under
6 subsection (d-5), and any fee imposed under subsection (d-6)
7 or (d-7).

8 (d-9) (Blank).

9 (d-10) (Blank).

10 (e) A certificate of registration issued by the State
11 Department of Revenue to a retailer under the Retailers'
12 Occupation Tax Act or under the Service Occupation Tax Act
13 shall permit the registrant to engage in a business that is
14 taxed under the tax imposed under paragraphs (b), (c) or (d) of
15 this Section and no additional registration shall be required
16 under the tax. A certificate issued under the Use Tax Act or
17 the Service Use Tax Act shall be applicable with regard to any
18 tax imposed under paragraph (c) of this Section.

19 (f) (Blank).

20 (g) Any ordinance imposing or discontinuing any tax under
21 this Section shall be adopted and a certified copy thereof
22 filed with the Department on or before June 1, whereupon the
23 Department of Revenue shall proceed to administer and enforce
24 this Section on behalf of the Metro East Mass Transit District
25 as of September 1 next following such adoption and filing.
26 Beginning January 1, 1992, an ordinance or resolution imposing

1 or discontinuing the tax hereunder shall be adopted and a
2 certified copy thereof filed with the Department on or before
3 the first day of July, whereupon the Department shall proceed
4 to administer and enforce this Section as of the first day of
5 October next following such adoption and filing. Beginning
6 January 1, 1993, except as provided in subsection (d-5) of
7 this Section, an ordinance or resolution imposing or
8 discontinuing the tax hereunder shall be adopted and a
9 certified copy thereof filed with the Department on or before
10 the first day of October, whereupon the Department shall
11 proceed to administer and enforce this Section as of the first
12 day of January next following such adoption and filing, or,
13 beginning January 1, 2004, on or before the first day of April,
14 whereupon the Department shall proceed to administer and
15 enforce this Section as of the first day of July next following
16 the adoption and filing.

17 (h) Except as provided in subsection (d-7.1), the State
18 Department of Revenue shall, upon collecting any taxes as
19 provided in this Section, pay the taxes over to the State
20 Treasurer as trustee for the District. The taxes shall be held
21 in a trust fund outside the State treasury. If an
22 airport-related purpose has been certified, taxes and
23 penalties collected in St. Clair County on aviation fuel sold
24 on or after December 1, 2019 from the 0.50% of the 0.75% rate
25 shall be immediately paid over by the Department to the State
26 Treasurer, ex officio, as trustee, for deposit into the Local

1 Government Aviation Trust Fund. The Department shall only pay
2 moneys into the Local Government Aviation Trust Fund under
3 this Act for so long as the revenue use requirements of 49
4 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 District.

6 As soon as possible after the first day of each month,
7 beginning January 1, 2011, upon certification of the
8 Department of Revenue, the Comptroller shall order
9 transferred, and the Treasurer shall transfer, to the STAR
10 Bonds Revenue Fund the local sales tax increment, as defined
11 in the Innovation Development and Economy Act, collected under
12 this Section during the second preceding calendar month for
13 sales within a STAR bond district. The Department shall make
14 this certification only if the local mass transit district
15 imposes a tax on real property as provided in the definition of
16 "local sales taxes" under the Innovation Development and
17 Economy Act.

18 After the monthly transfer to the STAR Bonds Revenue Fund,
19 on or before the 25th day of each calendar month, the State
20 Department of Revenue shall prepare and certify to the
21 Comptroller of the State of Illinois the amount to be paid to
22 the District, which shall be the amount (not including credit
23 memoranda and not including taxes and penalties collected on
24 aviation fuel sold on or after December 1, 2019 that are
25 deposited into the Local Government Aviation Trust Fund)
26 collected under this Section during the second preceding

1 calendar month by the Department plus an amount the Department
2 determines is necessary to offset any amounts that were
3 erroneously paid to a different taxing body, and not including
4 any amount equal to the amount of refunds made during the
5 second preceding calendar month by the Department on behalf of
6 the District, and not including any amount that the Department
7 determines is necessary to offset any amounts that were
8 payable to a different taxing body but were erroneously paid
9 to the District, and less any amounts that are transferred to
10 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which
11 the Department shall transfer into the Tax Compliance and
12 Administration Fund. The Department, at the time of each
13 monthly disbursement to the District, shall prepare and
14 certify to the State Comptroller the amount to be transferred
15 into the Tax Compliance and Administration Fund under this
16 subsection. Within 10 days after receipt by the Comptroller of
17 the certification of the amount to be paid to the District and
18 the Tax Compliance and Administration Fund, the Comptroller
19 shall cause an order to be drawn for payment for the amount in
20 accordance with the direction in the certification.

21 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

22 Section 70-100. The Regional Transportation Authority Act
23 is amended by changing Section 4.03 as follows:

24 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

1 (Text of Section before amendment by P.A. 104-457)

2 Sec. 4.03. Taxes.

3 (a) In order to carry out any of the powers or purposes of
4 the Authority, the Board may, by ordinance adopted with the
5 concurrence of 12 of the then Directors, impose throughout the
6 metropolitan region any or all of the taxes provided in this
7 Section. Except as otherwise provided in this Act, taxes
8 imposed under this Section and civil penalties imposed
9 incident thereto shall be collected and enforced by the State
10 Department of Revenue. The Department shall have the power to
11 administer and enforce the taxes and to determine all rights
12 for refunds for erroneous payments of the taxes. Nothing in
13 Public Act 95-708 is intended to invalidate any taxes
14 currently imposed by the Authority. The increased vote
15 requirements to impose a tax shall only apply to actions taken
16 after January 1, 2008 (the effective date of Public Act
17 95-708).

18 (b) The Board may impose a public transportation tax upon
19 all persons engaged in the metropolitan region in the business
20 of selling at retail motor fuel for operation of motor
21 vehicles upon public highways. The tax shall be at a rate not
22 to exceed 5% of the gross receipts from the sales of motor fuel
23 in the course of the business. As used in this Act, the term
24 "motor fuel" shall have the same meaning as in the Motor Fuel
25 Tax Law. The Board may provide for details of the tax. The
26 provisions of any tax shall conform, as closely as may be

1 practicable, to the provisions of the Municipal Retailers
2 Occupation Tax Act, including, without limitation, conformity
3 to penalties with respect to the tax imposed and as to the
4 powers of the State Department of Revenue to promulgate and
5 enforce rules and regulations relating to the administration
6 and enforcement of the provisions of the tax imposed, except
7 that reference in the Act to any municipality shall refer to
8 the Authority and the tax shall be imposed only with regard to
9 receipts from sales of motor fuel in the metropolitan region,
10 at rates as limited by this Section.

11 (c) In connection with the tax imposed under paragraph (b)
12 of this Section, the Board may impose a tax upon the privilege
13 of using in the metropolitan region motor fuel for the
14 operation of a motor vehicle upon public highways, the tax to
15 be at a rate not in excess of the rate of tax imposed under
16 paragraph (b) of this Section. The Board may provide for
17 details of the tax.

18 (d) The Board may impose a motor vehicle parking tax upon
19 the privilege of parking motor vehicles at off-street parking
20 facilities in the metropolitan region at which a fee is
21 charged, and may provide for reasonable classifications in and
22 exemptions to the tax, for administration and enforcement
23 thereof and for civil penalties and refunds thereunder and may
24 provide criminal penalties thereunder, the maximum penalties
25 not to exceed the maximum criminal penalties provided in the
26 Retailers' Occupation Tax Act. The Authority may collect and

1 enforce the tax itself or by contract with any unit of local
2 government. The State Department of Revenue shall have no
3 responsibility for the collection and enforcement unless the
4 Department agrees with the Authority to undertake the
5 collection and enforcement. As used in this paragraph, the
6 term "parking facility" means a parking area or structure
7 having parking spaces for more than 2 vehicles at which motor
8 vehicles are permitted to park in return for an hourly, daily,
9 or other periodic fee, whether publicly or privately owned,
10 but does not include parking spaces on a public street, the use
11 of which is regulated by parking meters.

12 (e) The Board may impose a Regional Transportation
13 Authority Retailers' Occupation Tax upon all persons engaged
14 in the business of selling tangible personal property at
15 retail in the metropolitan region. In Cook County, the tax
16 rate shall be 1.25% of the gross receipts from sales of food
17 for human consumption that is to be consumed off the premises
18 where it is sold (other than alcoholic liquor taxable under
19 Section 8-1 of the Liquor Control Act of 1934, ~~beverages,~~ food
20 consisting of or infused with adult use cannabis, soft drinks,
21 candy, and food that has been prepared for immediate
22 consumption) and tangible personal property taxed at the 1%
23 rate under the Retailers' Occupation Tax Act, and 1% of the
24 gross receipts from other taxable sales made in the course of
25 that business. In DuPage, Kane, Lake, McHenry, and Will
26 counties, the tax rate shall be 0.75% of the gross receipts

1 from all taxable sales made in the course of that business,
2 including sales of food for human consumption that is to be
3 consumed off the premises where it is sold (other than
4 alcoholic liquor taxable under Section 8-1 of the Liquor
5 Control Act of 1934, beverages, food consisting of or infused
6 with adult use cannabis, soft drinks, candy, and food that has
7 been prepared for immediate consumption). The rate of tax
8 imposed in DuPage, Kane, Lake, McHenry, and Will counties
9 under this Section on sales of aviation fuel on or after
10 December 1, 2019 shall, however, be 0.25% unless the Regional
11 Transportation Authority in DuPage, Kane, Lake, McHenry, and
12 Will counties has an "airport-related purpose" and the
13 additional 0.50% of the 0.75% tax on aviation fuel is expended
14 for airport-related purposes. If there is no airport-related
15 purpose to which aviation fuel tax revenue is dedicated, then
16 aviation fuel is excluded from the additional 0.50% of the
17 0.75% tax. The tax imposed under this Section and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the State Department of Revenue. The
20 Department shall have full power to administer and enforce
21 this Section; to collect all taxes and penalties so collected
22 in the manner hereinafter provided; and to determine all
23 rights to credit memoranda arising on account of the erroneous
24 payment of tax or penalty hereunder. In the administration of,
25 and compliance with this Section, the Department and persons
26 who are subject to this Section shall have the same rights,

1 remedies, privileges, immunities, powers, and duties, and be
2 subject to the same conditions, restrictions, limitations,
3 penalties, exclusions, exemptions, and definitions of terms,
4 and employ the same modes of procedure, as are prescribed in
5 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
6 (in respect to all provisions therein other than the State
7 rate of tax and other than the exemption for food for human
8 consumption that is to be consumed off the premises where it is
9 sold (other than alcoholic liquor taxable under Section 8-1 of
10 the Liquor Control Act of 1934, beverages, food consisting of
11 or infused with adult use cannabis, soft drinks, candy, and
12 food that has been prepared for immediate consumption), which
13 is taxed at the rate as provided in this subsection), 2c, 3
14 (except as to the disposition of taxes and penalties
15 collected, and except that the retailer's discount is not
16 allowed for taxes paid on aviation fuel that are subject to the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i, 5j, 5k, 5l,
19 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the
20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
21 Penalty and Interest Act, as fully as if those provisions were
22 set forth herein.

23 The Board and DuPage, Kane, Lake, McHenry, and Will
24 counties must comply with the certification requirements for
25 airport-related purposes under Section 2-22 of the Retailers'
26 Occupation Tax Act. For purposes of this Section,

1 "airport-related purposes" has the meaning ascribed in Section
2 6z-20.2 of the State Finance Act. This exclusion for aviation
3 fuel only applies for so long as the revenue use requirements
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 Authority.

6 Persons subject to any tax imposed under the authority
7 granted in this Section may reimburse themselves for their
8 seller's tax liability hereunder by separately stating the tax
9 as an additional charge, which charge may be stated in
10 combination in a single amount with State taxes that sellers
11 are required to collect under the Use Tax Act, under any
12 bracket schedules the Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the warrant to be drawn for the
17 amount specified, and to the person named, in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Regional Transportation Authority tax
20 fund established under paragraph (n) of this Section or the
21 Local Government Aviation Trust Fund, as appropriate.

22 If a tax is imposed under this subsection (e), a tax shall
23 also be imposed under subsections (f) and (g) of this Section.

24 For the purpose of determining whether a tax authorized
25 under this Section is applicable, a retail sale by a producer
26 of coal or other mineral mined in Illinois, is a sale at retail

1 at the place where the coal or other mineral mined in Illinois
2 is extracted from the earth. This paragraph does not apply to
3 coal or other mineral when it is delivered or shipped by the
4 seller to the purchaser at a point outside Illinois so that the
5 sale is exempt under the Federal Constitution as a sale in
6 interstate or foreign commerce.

7 No tax shall be imposed or collected under this subsection
8 on the sale of a motor vehicle in this State to a resident of
9 another state if that motor vehicle will not be titled in this
10 State.

11 Nothing in this Section shall be construed to authorize
12 the Regional Transportation Authority to impose a tax upon the
13 privilege of engaging in any business that under the
14 Constitution of the United States may not be made the subject
15 of taxation by this State.

16 (f) If a tax has been imposed under paragraph (e), a
17 Regional Transportation Authority Service Occupation Tax shall
18 also be imposed upon all persons engaged in the metropolitan
19 region in the business of making sales of service who, as an
20 incident to making the sales of service, transfer tangible
21 personal property within the metropolitan region, either in
22 the form of tangible personal property or in the form of real
23 estate as an incident to a sale of service. In Cook County, the
24 tax rate shall be: (1) 1.25% of the serviceman's cost price of
25 food prepared for immediate consumption and transferred
26 incident to a sale of service subject to the service

1 occupation tax by an entity that is located in the
2 metropolitan region and that is licensed under the Hospital
3 Licensing Act, the Nursing Home Care Act, the Assisted Living
4 and Shared Housing Act, the Specialized Mental Health
5 Rehabilitation Act of 2013, the ID/DD Community Care Act, the
6 MC/DD Act, or the Child Care Act of 1969, or an entity that
7 holds a permit issued pursuant to the Life Care Facilities
8 Act; (2) 1.25% of the selling price of food for human
9 consumption that is to be consumed off the premises where it is
10 sold (other than alcoholic liquor taxable under Section 8-1 of
11 the Liquor Control Act of 1934, ~~beverages,~~ food consisting of
12 or infused with adult use cannabis, soft drinks, candy, and
13 food that has been prepared for immediate consumption) and
14 tangible personal property taxed at the 1% rate under the
15 Service Occupation Tax Act; and (3) 1% of the selling price
16 from other taxable sales of tangible personal property
17 transferred. In DuPage, Kane, Lake, McHenry, and Will
18 counties, the rate shall be (1) 0.75% of the selling price of
19 all tangible personal property transferred, including food for
20 human consumption that is to be consumed off the premises
21 where it is sold (other than alcoholic liquor taxable under
22 Section 8-1 of the Liquor Control Act of 1934, ~~beverages,~~ food
23 consisting of or infused with adult use cannabis, soft drinks,
24 candy, and food that has been prepared for immediate
25 consumption); and (2) 0.75% of the serviceman's cost price of
26 food prepared for immediate consumption and transferred

1 incident to a sale of service subject to the service
2 occupation tax by an entity that is located in the
3 metropolitan region and that is licensed under the Hospital
4 Licensing Act, the Nursing Home Care Act, the Assisted Living
5 and Shared Housing Act, the Specialized Mental Health
6 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
7 the MC/DD Act, or the Child Care Act of 1969, or an entity that
8 holds a permit issued pursuant to the Life Care Facilities
9 Act. The rate of tax imposed in DuPage, Kane, Lake, McHenry,
10 and Will counties under this Section on sales of aviation fuel
11 on or after December 1, 2019 shall, however, be 0.25% unless
12 the Regional Transportation Authority in DuPage, Kane, Lake,
13 McHenry, and Will counties has an "airport-related purpose"
14 and the additional 0.50% of the 0.75% tax on aviation fuel is
15 expended for airport-related purposes. If there is no
16 airport-related purpose to which aviation fuel tax revenue is
17 dedicated, then aviation fuel is excluded from the additional
18 0.5% of the 0.75% tax.

19 The Board and DuPage, Kane, Lake, McHenry, and Will
20 counties must comply with the certification requirements for
21 airport-related purposes under Section 2-22 of the Retailers'
22 Occupation Tax Act. For purposes of this Section,
23 "airport-related purposes" has the meaning ascribed in Section
24 6z-20.2 of the State Finance Act. This exclusion for aviation
25 fuel only applies for so long as the revenue use requirements
26 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the

1 Authority.

2 The tax imposed under this paragraph and all civil
3 penalties that may be assessed as an incident thereof shall be
4 collected and enforced by the State Department of Revenue. The
5 Department shall have full power to administer and enforce
6 this paragraph; to collect all taxes and penalties due
7 hereunder; to dispose of taxes and penalties collected in the
8 manner hereinafter provided; and to determine all rights to
9 credit memoranda arising on account of the erroneous payment
10 of tax or penalty hereunder. In the administration of and
11 compliance with this paragraph, the Department and persons who
12 are subject to this paragraph shall have the same rights,
13 remedies, privileges, immunities, powers, and duties, and be
14 subject to the same conditions, restrictions, limitations,
15 penalties, exclusions, exemptions, and definitions of terms,
16 and employ the same modes of procedure, as are prescribed in
17 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
18 provisions therein other than (i) the State rate of tax; (ii)
19 the exemption for food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic liquor taxable under Section 8-1 of the Liquor
22 Control Act of 1934, beverages, food consisting of or infused
23 with adult use cannabis, soft drinks, candy, and food that has
24 been prepared for immediate consumption), which is taxed at
25 the rate as provided in this subsection; and (iii) the
26 exemption for food prepared for immediate consumption and

1 transferred incident to a sale of service subject to the
2 service occupation tax by an entity that is licensed under the
3 Hospital Licensing Act, the Nursing Home Care Act, the
4 Assisted Living and Shared Housing Act, the Specialized Mental
5 Health Rehabilitation Act of 2013, the ID/DD Community Care
6 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
7 entity that holds a permit issued pursuant to the Life Care
8 Facilities Act, which is taxed at the rate as provided in this
9 subsection), 4 (except that the reference to the State shall
10 be to the Authority), 5, 7, 8 (except that the jurisdiction to
11 which the tax shall be a debt to the extent indicated in that
12 Section 8 shall be the Authority), 9 (except as to the
13 disposition of taxes and penalties collected, and except that
14 the returned merchandise credit for this tax may not be taken
15 against any State tax, and except that the retailer's discount
16 is not allowed for taxes paid on aviation fuel that are subject
17 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
18 U.S.C. 47133), 10, 11, 12 (except the reference therein to
19 Section 2b of the Retailers' Occupation Tax Act), 13 (except
20 that any reference to the State shall mean the Authority), the
21 first paragraph of Section 15, 16, 17, 18, 19, and 20 of the
22 Service Occupation Tax Act and Section 3-7 of the Uniform
23 Penalty and Interest Act, as fully as if those provisions were
24 set forth herein.

25 Persons subject to any tax imposed under the authority
26 granted in this paragraph may reimburse themselves for their

1 serviceman's tax liability hereunder by separately stating the
2 tax as an additional charge, that charge may be stated in
3 combination in a single amount with State tax that servicemen
4 are authorized to collect under the Service Use Tax Act, under
5 any bracket schedules the Department may prescribe.

6 Whenever the Department determines that a refund should be
7 made under this paragraph to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the warrant to be drawn for the
10 amount specified, and to the person named in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of the Regional Transportation Authority tax
13 fund established under paragraph (n) of this Section or the
14 Local Government Aviation Trust Fund, as appropriate.

15 Nothing in this paragraph shall be construed to authorize
16 the Authority to impose a tax upon the privilege of engaging in
17 any business that under the Constitution of the United States
18 may not be made the subject of taxation by the State.

19 (g) If a tax has been imposed under paragraph (e), a tax
20 shall also be imposed upon the privilege of using in the
21 metropolitan region, any item of tangible personal property
22 that is purchased outside the metropolitan region at retail
23 from a retailer, and that is titled or registered with an
24 agency of this State's government. In Cook County, the tax
25 rate shall be 1% of the selling price of the tangible personal
26 property, as "selling price" is defined in the Use Tax Act. In

1 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate
2 shall be 0.75% of the selling price of the tangible personal
3 property, as "selling price" is defined in the Use Tax Act. The
4 tax shall be collected from persons whose Illinois address for
5 titling or registration purposes is given as being in the
6 metropolitan region. The tax shall be collected by the
7 Department of Revenue for the Regional Transportation
8 Authority. The tax must be paid to the State, or an exemption
9 determination must be obtained from the Department of Revenue,
10 before the title or certificate of registration for the
11 property may be issued. The tax or proof of exemption may be
12 transmitted to the Department by way of the State agency with
13 which, or the State officer with whom, the tangible personal
14 property must be titled or registered if the Department and
15 the State agency or State officer determine that this
16 procedure will expedite the processing of applications for
17 title or registration.

18 The Department shall have full power to administer and
19 enforce this paragraph; to collect all taxes, penalties, and
20 interest due hereunder; to dispose of taxes, penalties, and
21 interest collected in the manner hereinafter provided; and to
22 determine all rights to credit memoranda or refunds arising on
23 account of the erroneous payment of tax, penalty, or interest
24 hereunder. In the administration of and compliance with this
25 paragraph, the Department and persons who are subject to this
26 paragraph shall have the same rights, remedies, privileges,

1 immunities, powers, and duties, and be subject to the same
2 conditions, restrictions, limitations, penalties, exclusions,
3 exemptions, and definitions of terms and employ the same modes
4 of procedure, as are prescribed in Sections 2 (except the
5 definition of "retailer maintaining a place of business in
6 this State"), 3 through 3-80 (except provisions pertaining to
7 the State rate of tax, and except provisions concerning
8 collection or refunding of the tax by retailers), 4, 11, 12,
9 12a, 14, 15, 19 (except the portions pertaining to claims by
10 retailers and except the last paragraph concerning refunds),
11 20, 21, and 22 of the Use Tax Act, and are not inconsistent
12 with this paragraph, as fully as if those provisions were set
13 forth herein.

14 Whenever the Department determines that a refund should be
15 made under this paragraph to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the order to be drawn for the
18 amount specified, and to the person named in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the Regional Transportation Authority tax
21 fund established under paragraph (n) of this Section.

22 (g-5) If, on January 1, 2025, a unit of local government
23 has in effect a tax under subsections (e), (f), and (g), or if,
24 after January 1, 2025, a unit of local government imposes a tax
25 under subsections (e), (f), and (g), then that tax applies to
26 leases of tangible personal property in effect, entered into,

1 or renewed on or after that date in the same manner as the tax
2 under this Section and in accordance with the changes made by
3 Public Act 103-592.

4 (h) The Authority may impose a replacement vehicle tax of
5 \$50 on any passenger car as defined in Section 1-157 of the
6 Illinois Vehicle Code purchased within the metropolitan region
7 by or on behalf of an insurance company to replace a passenger
8 car of an insured person in settlement of a total loss claim.
9 The tax imposed may not become effective before the first day
10 of the month following the passage of the ordinance imposing
11 the tax and receipt of a certified copy of the ordinance by the
12 Department of Revenue. The Department of Revenue shall collect
13 the tax for the Authority in accordance with Sections 3-2002
14 and 3-2003 of the Illinois Vehicle Code.

15 The Department shall immediately pay over to the State
16 Treasurer, ex officio, as trustee, all taxes collected
17 hereunder.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, upon certification of the
20 Department of Revenue, the Comptroller shall order
21 transferred, and the Treasurer shall transfer, to the STAR
22 Bonds Revenue Fund the local sales tax increment, as defined
23 in the Innovation Development and Economy Act, collected under
24 this Section during the second preceding calendar month for
25 sales within a STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on or before the 25th day of each calendar month, the
2 Department shall prepare and certify to the Comptroller the
3 disbursement of stated sums of money to the Authority. The
4 amount to be paid to the Authority shall be the amount
5 collected hereunder during the second preceding calendar month
6 by the Department, less any amount determined by the
7 Department to be necessary for the payment of refunds, and
8 less any amounts that are transferred to the STAR Bonds
9 Revenue Fund. Within 10 days after receipt by the Comptroller
10 of the disbursement certification to the Authority provided
11 for in this Section to be given to the Comptroller by the
12 Department, the Comptroller shall cause the orders to be drawn
13 for that amount in accordance with the directions contained in
14 the certification.

15 (i) The Board may not impose any other taxes except as it
16 may from time to time be authorized by law to impose.

17 (j) A certificate of registration issued by the State
18 Department of Revenue to a retailer under the Retailers'
19 Occupation Tax Act or under the Service Occupation Tax Act
20 shall permit the registrant to engage in a business that is
21 taxed under the tax imposed under paragraphs (b), (e), (f) or
22 (g) of this Section and no additional registration shall be
23 required under the tax. A certificate issued under the Use Tax
24 Act or the Service Use Tax Act shall be applicable with regard
25 to any tax imposed under paragraph (c) of this Section.

26 (k) The provisions of any tax imposed under paragraph (c)

1 of this Section shall conform as closely as may be practicable
2 to the provisions of the Use Tax Act, including, without
3 limitation, conformity as to penalties with respect to the tax
4 imposed and as to the powers of the State Department of Revenue
5 to promulgate and enforce rules and regulations relating to
6 the administration and enforcement of the provisions of the
7 tax imposed. The taxes shall be imposed only on use within the
8 metropolitan region and at rates as provided in the paragraph.

9 (l) The Board in imposing any tax as provided in
10 paragraphs (b) and (c) of this Section, shall, after seeking
11 the advice of the State Department of Revenue, provide means
12 for retailers, users or purchasers of motor fuel for purposes
13 other than those with regard to which the taxes may be imposed
14 as provided in those paragraphs to receive refunds of taxes
15 improperly paid, which provisions may be at variance with the
16 refund provisions as applicable under the Municipal Retailers
17 Occupation Tax Act. The State Department of Revenue may
18 provide for certificates of registration for users or
19 purchasers of motor fuel for purposes other than those with
20 regard to which taxes may be imposed as provided in paragraphs
21 (b) and (c) of this Section to facilitate the reporting and
22 nontaxability of the exempt sales or uses.

23 (m) Any ordinance imposing or discontinuing any tax under
24 this Section shall be adopted and a certified copy thereof
25 filed with the Department on or before June 1, whereupon the
26 Department of Revenue shall proceed to administer and enforce

1 this Section on behalf of the Regional Transportation
2 Authority as of September 1 next following such adoption and
3 filing. Beginning January 1, 1992, an ordinance or resolution
4 imposing or discontinuing the tax hereunder shall be adopted
5 and a certified copy thereof filed with the Department on or
6 before the first day of July, whereupon the Department shall
7 proceed to administer and enforce this Section as of the first
8 day of October next following such adoption and filing.
9 Beginning January 1, 1993, an ordinance or resolution
10 imposing, increasing, decreasing, or discontinuing the tax
11 hereunder shall be adopted and a certified copy thereof filed
12 with the Department, whereupon the Department shall proceed to
13 administer and enforce this Section as of the first day of the
14 first month to occur not less than 60 days following such
15 adoption and filing. Any ordinance or resolution of the
16 Authority imposing a tax under this Section and in effect on
17 August 1, 2007 shall remain in full force and effect and shall
18 be administered by the Department of Revenue under the terms
19 and conditions and rates of tax established by such ordinance
20 or resolution until the Department begins administering and
21 enforcing an increased tax under this Section as authorized by
22 Public Act 95-708. The tax rates authorized by Public Act
23 95-708 are effective only if imposed by ordinance of the
24 Authority.

25 (n) Except as otherwise provided in this subsection (n),
26 the State Department of Revenue shall, upon collecting any

1 taxes as provided in this Section, pay the taxes over to the
2 State Treasurer as trustee for the Authority. The taxes shall
3 be held in a trust fund outside the State Treasury. If an
4 airport-related purpose has been certified, taxes and
5 penalties collected in DuPage, Kane, Lake, McHenry and Will
6 counties on aviation fuel sold on or after December 1, 2019
7 from the 0.50% of the 0.75% rate shall be immediately paid over
8 by the Department to the State Treasurer, ex officio, as
9 trustee, for deposit into the Local Government Aviation Trust
10 Fund. The Department shall only pay moneys into the Local
11 Government Aviation Trust Fund under this Act for so long as
12 the revenue use requirements of 49 U.S.C. 47107(b) and 49
13 U.S.C. 47133 are binding on the Authority. On or before the
14 25th day of each calendar month, the State Department of
15 Revenue shall prepare and certify to the Comptroller of the
16 State of Illinois and to the Authority (i) the amount of taxes
17 collected in each county other than Cook County in the
18 metropolitan region, (not including, if an airport-related
19 purpose has been certified, the taxes and penalties collected
20 from the 0.50% of the 0.75% rate on aviation fuel sold on or
21 after December 1, 2019 that are deposited into the Local
22 Government Aviation Trust Fund) (ii) the amount of taxes
23 collected within the City of Chicago, and (iii) the amount
24 collected in that portion of Cook County outside of Chicago,
25 each amount less the amount necessary for the payment of
26 refunds to taxpayers located in those areas described in items

1 (i), (ii), and (iii), and less 1.5% of the remainder, which
2 shall be transferred from the trust fund into the Tax
3 Compliance and Administration Fund. The Department, at the
4 time of each monthly disbursement to the Authority, shall
5 prepare and certify to the State Comptroller the amount to be
6 transferred into the Tax Compliance and Administration Fund
7 under this subsection. Within 10 days after receipt by the
8 Comptroller of the certification of the amounts, the
9 Comptroller shall cause an order to be drawn for the transfer
10 of the amount certified into the Tax Compliance and
11 Administration Fund and the payment of two-thirds of the
12 amounts certified in item (i) of this subsection to the
13 Authority and one-third of the amounts certified in item (i)
14 of this subsection to the respective counties other than Cook
15 County and the amount certified in items (ii) and (iii) of this
16 subsection to the Authority.

17 In addition to the disbursement required by the preceding
18 paragraph, an allocation shall be made in July 1991 and each
19 year thereafter to the Regional Transportation Authority. The
20 allocation shall be made in an amount equal to the average
21 monthly distribution during the preceding calendar year
22 (excluding the 2 months of lowest receipts) and the allocation
23 shall include the amount of average monthly distribution from
24 the Regional Transportation Authority Occupation and Use Tax
25 Replacement Fund. The distribution made in July 1992 and each
26 year thereafter under this paragraph and the preceding

1 paragraph shall be reduced by the amount allocated and
2 disbursed under this paragraph in the preceding calendar year.
3 The Department of Revenue shall prepare and certify to the
4 Comptroller for disbursement the allocations made in
5 accordance with this paragraph.

6 (o) Failure to adopt a budget ordinance or otherwise to
7 comply with Section 4.01 of this Act or to adopt a Five-year
8 Capital Program or otherwise to comply with paragraph (b) of
9 Section 2.01 of this Act shall not affect the validity of any
10 tax imposed by the Authority otherwise in conformity with law.

11 (p) At no time shall a public transportation tax or motor
12 vehicle parking tax authorized under paragraphs (b), (c), and
13 (d) of this Section be in effect at the same time as any
14 retailers' occupation, use or service occupation tax
15 authorized under paragraphs (e), (f), and (g) of this Section
16 is in effect.

17 Any taxes imposed under the authority provided in
18 paragraphs (b), (c), and (d) shall remain in effect only until
19 the time as any tax authorized by paragraph (e), (f), or (g) of
20 this Section is imposed and becomes effective. Once any tax
21 authorized by paragraph (e), (f), or (g) is imposed the Board
22 may not reimpose taxes as authorized in paragraphs (b), (c),
23 and (d) of the Section unless any tax authorized by paragraph
24 (e), (f), or (g) of this Section becomes ineffective by means
25 other than an ordinance of the Board.

26 (q) Any existing rights, remedies and obligations

1 (including enforcement by the Regional Transportation
2 Authority) arising under any tax imposed under paragraph (b),
3 (c), or (d) of this Section shall not be affected by the
4 imposition of a tax under paragraph (e), (f), or (g) of this
5 Section.

6 (Source: P.A. 103-592, eff. 1-1-25; 103-781, eff. 8-5-24;
7 104-6, eff. 1-1-26; 104-417, eff. 8-15-25.)

8 (Text of Section after amendment by P.A. 104-457)

9 Sec. 4.03. Taxes.

10 (a) Except as provided in subsection (m), in order to
11 carry out any of the powers or purposes of the Authority, the
12 Board may, by ordinance approved by a supermajority vote,
13 impose throughout the metropolitan region any or all of the
14 taxes provided in this Section. Except as otherwise provided
15 in this Act, taxes imposed under this Section and civil
16 penalties imposed incident thereto shall be collected and
17 enforced by the Department of Revenue. The Department shall
18 have the power to administer and enforce the taxes and to
19 determine all rights for refunds for erroneous payments of the
20 taxes. Nothing in Public Act 95-708 is intended to invalidate
21 any taxes currently imposed by the Authority. The increased
22 vote requirements to impose a tax shall only apply to actions
23 taken after January 1, 2008 (the effective date of Public Act
24 95-708).

25 (b) The Board may impose a public transportation tax upon

1 all persons engaged in the metropolitan region in the business
2 of selling at retail motor fuel for operation of motor
3 vehicles upon public highways. The tax shall be at a rate not
4 to exceed 5% of the gross receipts from the sales of motor fuel
5 in the course of the business. As used in this Act, the term
6 "motor fuel" shall have the same meaning as in the Motor Fuel
7 Tax Law. The Board may provide for details of the tax. The
8 provisions of any tax shall conform, as closely as may be
9 practicable, to the provisions of the Municipal Retailers
10 Occupation Tax Act, including, without limitation, conformity
11 to penalties with respect to the tax imposed and as to the
12 powers of the Department of Revenue to promulgate and enforce
13 rules and regulations relating to the administration and
14 enforcement of the provisions of the tax imposed, except that
15 reference in the Act to any municipality shall refer to the
16 Authority and the tax shall be imposed only with regard to
17 receipts from sales of motor fuel in the metropolitan region,
18 at rates as limited by this Section.

19 (c) In connection with the tax imposed under paragraph (b)
20 of this Section, the Board may impose a tax upon the privilege
21 of using in the metropolitan region motor fuel for the
22 operation of a motor vehicle upon public highways, the tax to
23 be at a rate not in excess of the rate of tax imposed under
24 paragraph (b) of this Section. The Board may provide for
25 details of the tax.

26 (d) The Board may impose a motor vehicle parking tax upon

1 the privilege of parking motor vehicles at off-street parking
2 facilities in the metropolitan region at which a fee is
3 charged, and may provide for reasonable classifications in and
4 exemptions to the tax, for administration and enforcement
5 thereof and for civil penalties and refunds thereunder and may
6 provide criminal penalties thereunder, the maximum penalties
7 not to exceed the maximum criminal penalties provided in the
8 Retailers' Occupation Tax Act. The Authority may collect and
9 enforce the tax itself or by contract with any unit of local
10 government. The Department of Revenue shall have no
11 responsibility for the collection and enforcement unless the
12 Department agrees with the Authority to undertake the
13 collection and enforcement. As used in this paragraph, the
14 term "parking facility" means a parking area or structure
15 having parking spaces for more than 2 vehicles at which motor
16 vehicles are permitted to park in return for an hourly, daily,
17 or other periodic fee, whether publicly or privately owned,
18 but does not include parking spaces on a public street, the use
19 of which is regulated by parking meters.

20 (e) The Board may impose a Northern Illinois Transit
21 Authority Retailers' Occupation Tax upon all persons engaged
22 in the business of selling tangible personal property at
23 retail in the metropolitan region. In Cook County, unless the
24 tax rate is increased by the Board by ordinance, as provided in
25 this Section, the tax rate shall be 1.25% of the gross receipts
26 from sales of food for human consumption that is to be consumed

1 off the premises where it is sold (other than alcoholic liquor
2 taxable under Section 8-1 of the Liquor Control Act of 1934
3 ~~beverages~~, food consisting of or infused with adult use
4 cannabis, soft drinks, candy, and food that has been prepared
5 for immediate consumption) and tangible personal property
6 taxed at the 1% rate under the Retailers' Occupation Tax Act,
7 and 1% of the gross receipts from other taxable sales made in
8 the course of that business. In Cook County, on and after the
9 effective date of this amendatory Act of the 104th General
10 Assembly, the Board may, by ordinance, increase the tax rate
11 to not more than 1.5% of the gross receipts from sales of food
12 for human consumption that is to be consumed off the premises
13 where it is sold (other than alcoholic liquor taxable under
14 Section 8-1 of the Liquor Control Act of 1934 ~~beverages~~, food
15 consisting of or infused with adult use cannabis, soft drinks,
16 candy, and food that has been prepared for immediate
17 consumption) and tangible personal property taxed at the 1%
18 rate under the Retailers' Occupation Tax Act, and 1.25% of the
19 gross receipts from other taxable sales made in the course of
20 that business. The Board shall take such a vote on whether to
21 increase the tax rate no later than 60 days after the effective
22 date of this Act. In DuPage, Kane, Lake, McHenry, and Will
23 counties, unless the tax rate is increased by the Board by an
24 ordinance as approved by this Section, the tax rate shall be
25 0.75% of the gross receipts from all taxable sales made in the
26 course of that business, including sales of food for human

1 consumption that is to be consumed off the premises where it is
2 sold (other than alcoholic liquor taxable under Section 8-1 of
3 the Liquor Control Act of 1934 beverages, food consisting of
4 or infused with adult use cannabis, soft drinks, candy, and
5 food that has been prepared for immediate consumption). In
6 DuPage, Kane, Lake, McHenry, and Will counties, on and after
7 the effective date of this amendatory Act of the 104th General
8 Assembly, the Board may, by ordinance, increase the tax rate
9 to not more than 1% of the gross receipts from all taxable
10 sales made in the course of that business, including sales of
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic liquor taxable
13 under Section 8-1 of the Liquor Control Act of 1934 beverages,
14 food consisting of or infused with adult use cannabis, soft
15 drinks, candy, and food that has been prepared for immediate
16 consumption). The rate of tax imposed in DuPage, Kane, Lake,
17 McHenry, and Will counties under this Section on sales of
18 aviation fuel on or after December 1, 2019 shall, however, be
19 0.25% unless the Authority in DuPage, Kane, Lake, McHenry, and
20 Will counties has an "airport-related purpose" and the
21 additional 0.50% of the 0.75% tax (or 0.75% of 1% tax if the
22 tax rate is increased by the Board to 1%) on aviation fuel is
23 expended for airport-related purposes. If there is no
24 airport-related purpose to which aviation fuel tax revenue is
25 dedicated, then aviation fuel is excluded from the additional
26 tax. The tax imposed under this Section and all civil

1 penalties that may be assessed as an incident thereof shall be
2 collected and enforced by the Department of Revenue. The
3 Department shall have full power to administer and enforce
4 this Section; to collect all taxes and penalties so collected
5 in the manner hereinafter provided; and to determine all
6 rights to credit memoranda arising on account of the erroneous
7 payment of tax or penalty hereunder. In the administration of,
8 and compliance with this Section, the Department and persons
9 who are subject to this Section shall have the same rights,
10 remedies, privileges, immunities, powers, and duties, and be
11 subject to the same conditions, restrictions, limitations,
12 penalties, exclusions, exemptions, and definitions of terms,
13 and employ the same modes of procedure, as are prescribed in
14 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
15 (in respect to all provisions therein other than the State
16 rate of tax and other than the exemption for food for human
17 consumption that is to be consumed off the premises where it is
18 sold (other than alcoholic liquor taxable under Section 8-1 of
19 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
20 or infused with adult use cannabis, soft drinks, candy, and
21 food that has been prepared for immediate consumption), which
22 is taxed at the rate as provided in this subsection), 2c, 3
23 (except as to the disposition of taxes and penalties
24 collected, and except that the retailer's discount is not
25 allowed for taxes paid on aviation fuel that are subject to the
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

1 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~ 5i, 5j, 5k, 5l,
2 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
4 Penalty and Interest Act, as fully as if those provisions were
5 set forth herein.

6 The Board and DuPage, Kane, Lake, McHenry, and Will
7 counties must comply with the certification requirements for
8 airport-related purposes under Section 2-22 of the Retailers'
9 Occupation Tax Act. For purposes of this Section,
10 "airport-related purposes" has the meaning ascribed in Section
11 6z-20.2 of the State Finance Act. This exclusion for aviation
12 fuel only applies for so long as the revenue use requirements
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
14 Authority.

15 Persons subject to any tax imposed under the authority
16 granted in this Section may reimburse themselves for their
17 seller's tax liability hereunder by separately stating the tax
18 as an additional charge, which charge may be stated in
19 combination in a single amount with State taxes that sellers
20 are required to collect under the Use Tax Act, under any
21 bracket schedules the Department may prescribe.

22 Whenever the Department determines that a refund should be
23 made under this Section to a claimant instead of issuing a
24 credit memorandum, the Department shall notify the State
25 Comptroller, who shall cause the warrant to be drawn for the
26 amount specified, and to the person named, in the notification

1 from the Department. The refund shall be paid by the State
2 Treasurer out of the Northern Illinois Transit Authority tax
3 fund established under paragraph (n) of this Section or the
4 Local Government Aviation Trust Fund, as appropriate.

5 If a tax is imposed under this subsection (e), a tax shall
6 also be imposed under subsections (f) and (g) of this Section.

7 For the purpose of determining whether a tax authorized
8 under this Section is applicable, a retail sale by a producer
9 of coal or other mineral mined in Illinois, is a sale at retail
10 at the place where the coal or other mineral mined in Illinois
11 is extracted from the earth. This paragraph does not apply to
12 coal or other mineral when it is delivered or shipped by the
13 seller to the purchaser at a point outside Illinois so that the
14 sale is exempt under the Federal Constitution as a sale in
15 interstate or foreign commerce.

16 No tax shall be imposed or collected under this subsection
17 on the sale of a motor vehicle in this State to a resident of
18 another state if that motor vehicle will not be titled in this
19 State.

20 Nothing in this Section shall be construed to authorize
21 the Authority to impose a tax upon the privilege of engaging in
22 any business that under the Constitution of the United States
23 may not be made the subject of taxation by this State.

24 (f) If a tax has been imposed under paragraph (e), a
25 Northern Illinois Transit Authority Service Occupation Tax
26 shall also be imposed upon all persons engaged in the

1 metropolitan region in the business of making sales of service
2 who, as an incident to making the sales of service, transfer
3 tangible personal property within the metropolitan region,
4 either in the form of tangible personal property or in the form
5 of real estate as an incident to a sale of service. In Cook
6 County, unless the tax rate is increased by the Board by
7 ordinance, as provided in this Section, the tax rate shall be:
8 (1) 1.25% of the serviceman's cost price of food prepared for
9 immediate consumption and transferred incident to a sale of
10 service subject to the service occupation tax by an entity
11 that is located in the metropolitan region and that is
12 licensed under the Hospital Licensing Act, the Nursing Home
13 Care Act, the Assisted Living and Shared Housing Act, the
14 Specialized Mental Health Rehabilitation Act of 2013, the
15 ID/DD Community Care Act, the MC/DD Act, or the Child Care Act
16 of 1969, or an entity that holds a permit issued pursuant to
17 the Life Care Facilities Act; (2) 1.25% of the selling price of
18 food for human consumption that is to be consumed off the
19 premises where it is sold (other than alcoholic liquor taxable
20 under Section 8-1 of the Liquor Control Act of 1934 ~~beverages,~~
21 food consisting of or infused with adult use cannabis, soft
22 drinks, candy, and food that has been prepared for immediate
23 consumption) and tangible personal property taxed at the 1%
24 rate under the Service Occupation Tax Act; and (3) 1% of the
25 selling price from other taxable sales of tangible personal
26 property transferred. In Cook County, on and after the

1 effective date of this amendatory Act of the 104th General
2 Assembly, the Board may, by ordinance, increase the tax rate
3 to not more than: (1) 1.5% of the serviceman's cost price of
4 food prepared for immediate consumption and transferred
5 incident to a sale of service subject to the service
6 occupation tax by an entity that is located in the
7 metropolitan region and that is licensed under the Hospital
8 Licensing Act, the Nursing Home Care Act, the Assisted Living
9 and Shared Housing Act, the Specialized Mental Health
10 Rehabilitation Act of 2013, the ID/DD Community Care Act, the
11 MC/DD Act, or the Child Care Act of 1969, or an entity that
12 holds a permit issued pursuant to the Life Care Facilities
13 Act; (2) 1.5% of the selling price of food for human
14 consumption that is to be consumed off the premises where it is
15 sold (other than alcoholic liquor taxable under Section 8-1 of
16 the Liquor Control Act of 1934 ~~beverages~~, food consisting of
17 or infused with adult use cannabis, soft drinks, candy, and
18 food that has been prepared for immediate consumption) and
19 tangible personal property taxed at the 1% rate under the
20 Service Occupation Tax Act; and (3) 1.25% of the selling price
21 from other taxable sales of tangible personal property
22 transferred. In DuPage, Kane, Lake, McHenry, and Will
23 counties, before the effective date of this amendatory Act of
24 the 104th General Assembly, the rate shall be (1) 0.75% of the
25 selling price of all tangible personal property transferred,
26 including food for human consumption that is to be consumed

1 off the premises where it is sold (other than alcoholic liquor
2 taxable under Section 8-1 of the Liquor Control Act of 1934
3 ~~beverages~~, food consisting of or infused with adult use
4 cannabis, soft drinks, candy, and food that has been prepared
5 for immediate consumption); and (2) 0.75% of the serviceman's
6 cost price of food prepared for immediate consumption and
7 transferred incident to a sale of service subject to the
8 service occupation tax by an entity that is located in the
9 metropolitan region and that is licensed under the Hospital
10 Licensing Act, the Nursing Home Care Act, the Assisted Living
11 and Shared Housing Act, the Specialized Mental Health
12 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
13 the MC/DD Act, or the Child Care Act of 1969, or an entity that
14 holds a permit issued pursuant to the Life Care Facilities
15 Act. In DuPage, Kane, Lake, McHenry, and Will counties, on and
16 after the effective date of this amendatory Act of the 104th
17 General Assembly, the Board may, by ordinance, increase the
18 tax rate to not more than 1% of the selling price of all
19 tangible personal property transferred. The rate of tax
20 imposed in DuPage, Kane, Lake, McHenry, and Will counties
21 under this Section on sales of aviation fuel on or after
22 December 1, 2019 shall, however, be 0.25% unless the Authority
23 in DuPage, Kane, Lake, McHenry, and Will counties has an
24 "airport-related purpose" and the additional 0.50% of the
25 0.75% (or 0.75% of 1% tax if the tax rate is increased by the
26 Board to 1%) tax on aviation fuel is expended for

1 airport-related purposes. If there is no airport-related
2 purpose to which aviation fuel tax revenue is dedicated, then
3 aviation fuel is excluded from the additional tax.

4 The Board and DuPage, Kane, Lake, McHenry, and Will
5 counties must comply with the certification requirements for
6 airport-related purposes under Section 2-22 of the Retailers'
7 Occupation Tax Act. For purposes of this Section,
8 "airport-related purposes" has the meaning ascribed in Section
9 6z-20.2 of the State Finance Act. This exclusion for aviation
10 fuel only applies for so long as the revenue use requirements
11 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
12 Authority.

13 The tax imposed under this paragraph and all civil
14 penalties that may be assessed as an incident thereof shall be
15 collected and enforced by the Department of Revenue. The
16 Department shall have full power to administer and enforce
17 this paragraph; to collect all taxes and penalties due
18 hereunder; to dispose of taxes and penalties collected in the
19 manner hereinafter provided; and to determine all rights to
20 credit memoranda arising on account of the erroneous payment
21 of tax or penalty hereunder. In the administration of and
22 compliance with this paragraph, the Department and persons who
23 are subject to this paragraph shall have the same rights,
24 remedies, privileges, immunities, powers, and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions, and definitions of terms,

1 and employ the same modes of procedure, as are prescribed in
2 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
3 provisions therein other than (i) the State rate of tax; (ii)
4 the exemption for food for human consumption that is to be
5 consumed off the premises where it is sold (other than
6 alcoholic liquor taxable under Section 8-1 of the Liquor
7 Control Act of 1934 ~~beverages~~, food consisting of or infused
8 with adult use cannabis, soft drinks, candy, and food that has
9 been prepared for immediate consumption), which is taxed at
10 the rate as provided in this subsection; and (iii) the
11 exemption for food prepared for immediate consumption and
12 transferred incident to a sale of service subject to the
13 service occupation tax by an entity that is licensed under the
14 Hospital Licensing Act, the Nursing Home Care Act, the
15 Assisted Living and Shared Housing Act, the Specialized Mental
16 Health Rehabilitation Act of 2013, the ID/DD Community Care
17 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
18 entity that holds a permit issued pursuant to the Life Care
19 Facilities Act, which is taxed at the rate as provided in this
20 subsection), 4 (except that the reference to the State shall
21 be to the Authority), 5, 7, 8 (except that the jurisdiction to
22 which the tax shall be a debt to the extent indicated in that
23 Section 8 shall be the Authority), 9 (except as to the
24 disposition of taxes and penalties collected, and except that
25 the returned merchandise credit for this tax may not be taken
26 against any State tax, and except that the retailer's discount

1 is not allowed for taxes paid on aviation fuel that are subject
2 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133), 10, 11, 12 (except the reference therein to
4 Section 2b of the Retailers' Occupation Tax Act), 13 (except
5 that any reference to the State shall mean the Authority), the
6 first paragraph of Section 15, 16, 17, 18, 19, and 20 of the
7 Service Occupation Tax Act and Section 3-7 of the Uniform
8 Penalty and Interest Act, as fully as if those provisions were
9 set forth herein.

10 Persons subject to any tax imposed under the authority
11 granted in this paragraph may reimburse themselves for their
12 serviceman's tax liability hereunder by separately stating the
13 tax as an additional charge, that charge may be stated in
14 combination in a single amount with State tax that servicemen
15 are authorized to collect under the Service Use Tax Act, under
16 any bracket schedules the Department may prescribe.

17 Whenever the Department of Revenue determines that a
18 refund should be made under this paragraph to a claimant
19 instead of issuing a credit memorandum, the Department of
20 Revenue shall notify the State Comptroller, who shall cause
21 the warrant to be drawn for the amount specified, and to the
22 person named in the notification from the Department of
23 Revenue. The refund shall be paid by the State Treasurer out of
24 the Northern Illinois Transit Authority tax fund established
25 under paragraph (n) of this Section or the Local Government
26 Aviation Trust Fund, as appropriate.

1 Nothing in this paragraph shall be construed to authorize
2 the Authority to impose a tax upon the privilege of engaging in
3 any business that under the Constitution of the United States
4 may not be made the subject of taxation by the State.

5 (g) If a tax has been imposed under paragraph (e), a tax
6 shall also be imposed upon the privilege of using in the
7 metropolitan region, any item of tangible personal property
8 that is purchased outside the metropolitan region at retail
9 from a retailer, and that is titled or registered with an
10 agency of this State's government. In Cook County, unless the
11 tax rate is increased by the Board by ordinance, as provided in
12 this Section, the tax rate shall be 1% of the selling price of
13 the tangible personal property, as "selling price" is defined
14 in the Use Tax Act. In Cook County, on and after the effective
15 date of this amendatory Act of the 104th General Assembly, the
16 Board may, by ordinance, increase the tax rate to not more than
17 1.25% of the selling price of the tangible personal property,
18 as "selling price" is defined in the Use Tax Act. In DuPage,
19 Kane, Lake, McHenry, and Will counties, before the effective
20 date of this amendatory Act of the 104th General Assembly, the
21 tax rate shall be 0.75% of the selling price of the tangible
22 personal property, as "selling price" is defined in the Use
23 Tax Act. In DuPage, Kane, Lake, McHenry, and Will counties, on
24 and after the effective date of this amendatory Act of the
25 104th General Assembly, the Board may, by ordinance, increase
26 the tax rate to not more than 1% of the selling price of the

1 tangible personal property, as "selling price" is defined in
2 the Use Tax Act. The tax shall be collected from persons whose
3 Illinois address for titling or registration purposes is given
4 as being in the metropolitan region. The tax shall be
5 collected by the Department of Revenue for the Authority. The
6 tax must be paid to the State, or an exemption determination
7 must be obtained from the Department of Revenue, before the
8 title or certificate of registration for the property may be
9 issued. The tax or proof of exemption may be transmitted to the
10 Department by way of the State agency with which, or the State
11 officer with whom, the tangible personal property must be
12 titled or registered if the Department and the State agency or
13 State officer determine that this procedure will expedite the
14 processing of applications for title or registration.

15 The Department shall have full power to administer and
16 enforce this paragraph; to collect all taxes, penalties, and
17 interest due hereunder; to dispose of taxes, penalties, and
18 interest collected in the manner hereinafter provided; and to
19 determine all rights to credit memoranda or refunds arising on
20 account of the erroneous payment of tax, penalty, or interest
21 hereunder. In the administration of and compliance with this
22 paragraph, the Department and persons who are subject to this
23 paragraph shall have the same rights, remedies, privileges,
24 immunities, powers, and duties, and be subject to the same
25 conditions, restrictions, limitations, penalties, exclusions,
26 exemptions, and definitions of terms and employ the same modes

1 of procedure, as are prescribed in Sections 2 (except the
2 definition of "retailer maintaining a place of business in
3 this State"), 3 through 3-80 (except provisions pertaining to
4 the State rate of tax, and except provisions concerning
5 collection or refunding of the tax by retailers), 4, 11, 12,
6 12a, 14, 15, 19 (except the portions pertaining to claims by
7 retailers and except the last paragraph concerning refunds),
8 20, 21, and 22 of the Use Tax Act, and are not inconsistent
9 with this paragraph, as fully as if those provisions were set
10 forth herein.

11 Whenever the Department determines that a refund should be
12 made under this paragraph to a claimant instead of issuing a
13 credit memorandum, the Department shall notify the State
14 Comptroller, who shall cause the order to be drawn for the
15 amount specified, and to the person named in the notification
16 from the Department. The refund shall be paid by the State
17 Treasurer out of the Northern Illinois Transit Authority tax
18 fund established under paragraph (n) of this Section.

19 (g-5) If, on January 1, 2025, a unit of local government
20 has in effect a tax under subsections (e), (f), and (g), or if,
21 after January 1, 2025, a unit of local government imposes a tax
22 under subsections (e), (f), and (g), then that tax applies to
23 leases of tangible personal property in effect, entered into,
24 or renewed on or after that date in the same manner as the tax
25 under this Section and in accordance with the changes made by
26 Public Act 103-592.

1 (h) The Authority may impose a replacement vehicle tax of
2 \$50 on any passenger car as defined in Section 1-157 of the
3 Illinois Vehicle Code purchased within the metropolitan region
4 by or on behalf of an insurance company to replace a passenger
5 car of an insured person in settlement of a total loss claim.
6 The tax imposed may not become effective before the first day
7 of the month following the passage of the ordinance imposing
8 the tax and receipt of a certified copy of the ordinance by the
9 Department of Revenue. The Department of Revenue shall collect
10 the tax for the Authority in accordance with Sections 3-2002
11 and 3-2003 of the Illinois Vehicle Code.

12 The Department shall immediately pay over to the State
13 Treasurer, ex officio, as trustee, all taxes collected
14 hereunder.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Innovation Development and Economy Act, collected under
21 this Section during the second preceding calendar month for
22 sales within a STAR bond district.

23 After the monthly transfer to the STAR Bonds Revenue Fund,
24 on or before the 25th day of each calendar month, the
25 Department shall prepare and certify to the Comptroller the
26 disbursement of stated sums of money to the Authority. The

1 amount to be paid to the Authority shall be the amount
2 collected hereunder during the second preceding calendar month
3 by the Department, less any amount determined by the
4 Department to be necessary for the payment of refunds, and
5 less any amounts that are transferred to the STAR Bonds
6 Revenue Fund. Within 10 days after receipt by the Comptroller
7 of the disbursement certification to the Authority provided
8 for in this Section to be given to the Comptroller by the
9 Department, the Comptroller shall cause the orders to be drawn
10 for that amount in accordance with the directions contained in
11 the certification.

12 (i) The Board may not impose any other taxes except as it
13 may from time to time be authorized by law to impose.

14 (j) A certificate of registration issued by the Department
15 of Revenue to a retailer under the Retailers' Occupation Tax
16 Act or under the Service Occupation Tax Act shall permit the
17 registrant to engage in a business that is taxed under the tax
18 imposed under paragraphs (b), (e), (f) or (g) of this Section
19 and no additional registration shall be required under the
20 tax. A certificate issued under the Use Tax Act or the Service
21 Use Tax Act shall be applicable with regard to any tax imposed
22 under paragraph (c) of this Section.

23 (k) The provisions of any tax imposed under paragraph (c)
24 of this Section shall conform as closely as may be practicable
25 to the provisions of the Use Tax Act, including, without
26 limitation, conformity as to penalties with respect to the tax

1 imposed and as to the powers of the Department of Revenue to
2 promulgate and enforce rules and regulations relating to the
3 administration and enforcement of the provisions of the tax
4 imposed. The taxes shall be imposed only on use within the
5 metropolitan region and at rates as provided in the paragraph.

6 (l) The Board in imposing any tax as provided in
7 paragraphs (b) and (c) of this Section, shall, after seeking
8 the advice of the Department of Revenue, provide means for
9 retailers, users or purchasers of motor fuel for purposes
10 other than those with regard to which the taxes may be imposed
11 as provided in those paragraphs to receive refunds of taxes
12 improperly paid, which provisions may be at variance with the
13 refund provisions as applicable under the Municipal Retailers
14 Occupation Tax Act. The Department of Revenue may provide for
15 certificates of registration for users or purchasers of motor
16 fuel for purposes other than those with regard to which taxes
17 may be imposed as provided in paragraphs (b) and (c) of this
18 Section to facilitate the reporting and nontaxability of the
19 exempt sales or uses.

20 (m) Any ordinance imposing or discontinuing any tax under
21 this Section shall be adopted and a certified copy thereof
22 filed with the Department on or before June 1, whereupon the
23 Department of Revenue shall proceed to administer and enforce
24 this Section on behalf of the Authority as of September 1 next
25 following such adoption and filing. Beginning January 1, 1992,
26 an ordinance or resolution imposing or discontinuing the tax

1 hereunder shall be adopted and a certified copy thereof filed
2 with the Department on or before the first day of July,
3 whereupon the Department shall proceed to administer and
4 enforce this Section as of the first day of October next
5 following such adoption and filing. Beginning January 1, 1993,
6 an ordinance or resolution imposing, increasing, decreasing,
7 or discontinuing the tax hereunder shall be adopted and a
8 certified copy thereof filed with the Department, whereupon
9 the Department shall proceed to administer and enforce this
10 Section as of the first day of the first month to occur not
11 less than 60 days following such adoption and filing. Any
12 ordinance or resolution of the Authority imposing a tax under
13 this Section and in effect on August 1, 2007 shall remain in
14 full force and effect and shall be administered by the
15 Department of Revenue under the terms and conditions and rates
16 of tax established by such ordinance or resolution until the
17 Department begins administering and enforcing an increased tax
18 under this Section as authorized by Public Act 95-708. Any
19 ordinance or resolution of the Authority imposing a tax under
20 this Section and in effect on the effective date of this
21 amendatory Act of the 104th General Assembly shall remain in
22 full force and effect and shall be administered by the
23 Department of Revenue under the terms and conditions and rates
24 of tax established by such ordinance or resolution until the
25 Department begins administering and enforcing an increased tax
26 under this Section as authorized by this amendatory Act of the

1 104th General Assembly. The tax rates authorized by Public Act
2 95-708 are effective only if imposed by ordinance of the
3 Authority. The tax rates authorized by this amendatory Act of
4 the 104th General Assembly are effective only if an ordinance
5 is approved by the Authority with the affirmative votes of a
6 simple majority of its then Directors.

7 (n) Except as otherwise provided in this subsection (n),
8 the Department of Revenue shall, upon collecting any taxes as
9 provided in this Section, pay the taxes over to the State
10 Treasurer as trustee for the Authority. The taxes shall be
11 held in a trust fund outside the State treasury. If an
12 airport-related purpose has been certified, taxes and
13 penalties collected in DuPage, Kane, Lake, McHenry and Will
14 counties on aviation fuel sold on or after December 1, 2019
15 from the 0.50% of the 0.75% rate shall be immediately paid over
16 by the Department to the State Treasurer, ex officio, as
17 trustee, for deposit into the Local Government Aviation Trust
18 Fund. The Department shall only pay moneys into the Local
19 Government Aviation Trust Fund under this Act for so long as
20 the revenue use requirements of 49 U.S.C. 47107(b) and 49
21 U.S.C. 47133 are binding on the Authority. On or before the
22 25th day of each calendar month, the Department of Revenue
23 shall prepare and certify to the Comptroller of the State of
24 Illinois and to the Authority (i) the amount of taxes
25 collected in each county other than Cook County in the
26 metropolitan region, (not including, if an airport-related

1 purpose has been certified, the taxes and penalties collected
2 from the 0.50% of the 0.75% rate on aviation fuel sold on or
3 after December 1, 2019 that are deposited into the Local
4 Government Aviation Trust Fund) (ii) the amount of taxes
5 collected within the City of Chicago, and (iii) the amount
6 collected in that portion of Cook County outside of Chicago,
7 each amount less the amount necessary for the payment of
8 refunds to taxpayers located in those areas described in items
9 (i), (ii), and (iii), and less 1.5% of the remainder, which
10 shall be transferred from the trust fund into the Tax
11 Compliance and Administration Fund. The Department, at the
12 time of each monthly disbursement to the Authority, shall
13 prepare and certify to the State Comptroller the amount to be
14 transferred into the Tax Compliance and Administration Fund
15 under this subsection. Within 10 days after receipt by the
16 Comptroller of the certification of the amounts, the
17 Comptroller shall cause an order to be drawn for the transfer
18 of the amount certified into the Tax Compliance and
19 Administration Fund and the payment of two-thirds of the
20 amounts certified in item (i) of this subsection to the
21 Authority and one-third of the amounts certified in item (i)
22 of this subsection to the respective counties other than Cook
23 County and the amount certified in items (ii) and (iii) of this
24 subsection to the Authority.

25 In addition to the disbursement required by the preceding
26 paragraph, an allocation shall be made in July 1991 and each

1 year thereafter to the Authority. The allocation shall be made
2 in an amount equal to the average monthly distribution during
3 the preceding calendar year (excluding the 2 months of lowest
4 receipts) and the allocation shall include the amount of
5 average monthly distribution from the Northern Illinois
6 Transit Authority Occupation and Use Tax Replacement Fund. The
7 distribution made in July 1992 and each year thereafter under
8 this paragraph and the preceding paragraph shall be reduced by
9 the amount allocated and disbursed under this paragraph in the
10 preceding calendar year. The Department of Revenue shall
11 prepare and certify to the Comptroller for disbursement the
12 allocations made in accordance with this paragraph.

13 (o) Failure to adopt a budget ordinance or otherwise to
14 comply with Section 4.01 or to adopt a 5-Year Capital Program
15 or otherwise to comply with paragraph (b) of Section 2.01 of
16 this Act shall not affect the validity of any tax imposed by
17 the Authority otherwise in conformity with law.

18 (p) At no time shall a public transportation tax or motor
19 vehicle parking tax authorized under paragraphs (b), (c), and
20 (d) of this Section be in effect at the same time as any
21 retailers' occupation, use or service occupation tax
22 authorized under paragraphs (e), (f), and (g) of this Section
23 is in effect.

24 Any taxes imposed under the authority provided in
25 paragraphs (b), (c), and (d) shall remain in effect only until
26 the time as any tax authorized by paragraph (e), (f), or (g) of

1 this Section is imposed and becomes effective. Once any tax
2 authorized by paragraph (e), (f), or (g) is imposed the Board
3 may not reimpose taxes as authorized in paragraphs (b), (c),
4 and (d) of the Section unless any tax authorized by paragraph
5 (e), (f), or (g) of this Section becomes ineffective by means
6 other than an ordinance of the Board.

7 (q) Any existing rights, remedies and obligations
8 (including enforcement by the Authority) arising under any tax
9 imposed under paragraph (b), (c), or (d) of this Section shall
10 not be affected by the imposition of a tax under paragraph (e),
11 (f), or (g) of this Section.

12 (r) The Board shall hold a vote on whether to adopt an
13 ordinance to increase the tax rate to the rates authorized by
14 this amendatory Act of the 104th General Assembly within 60
15 days of the effective date of this amendatory Act of the 104th
16 General Assembly.

17 (Source: P.A. 103-592, eff. 1-1-25; 103-781, eff. 8-5-24;
18 104-6, eff. 1-1-26; 104-417, eff. 8-15-25; 104-457, eff.
19 6-1-26.)

20 Section 70-105. The Water Commission Act of 1985 is
21 amended by changing Section 4 as follows:

22 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

23 (Text of Section before amendment by P.A. 104-457)

24 Sec. 4. Taxes.

(a) The board of commissioners of any county water commission may, by ordinance, impose throughout the territory of the commission any or all of the taxes provided in this Section for its corporate purposes. However, no county water commission may impose any such tax unless the commission certifies the proposition of imposing the tax to the proper election officials, who shall submit the proposition to the voters residing in the territory at an election in accordance with the general election law, and the proposition has been approved by a majority of those voting on the proposition.

The proposition shall be in the form provided in Section 5 or shall be substantially in the following form:

Shall the (insert corporate
name of county water commission) YES
impose (state type of tax or -----
taxes to be imposed) at the NO
rate of 1/4%?

Taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The board of commissioners may impose a County Water Commission Retailers' Occupation Tax upon all persons engaged

1 in the business of selling tangible personal property at
2 retail in the territory of the commission at a rate of 1/4% of
3 the gross receipts from the sales made in the course of such
4 business within the territory. Beginning January 1, 2021, this
5 tax is not imposed on sales of aviation fuel for so long as the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
7 47133 are binding on the District.

8 The tax imposed under this paragraph and all civil
9 penalties that may be assessed as an incident thereof shall be
10 collected and enforced by the State Department of Revenue. The
11 Department shall have full power to administer and enforce
12 this paragraph; to collect all taxes and penalties due
13 hereunder; to dispose of taxes and penalties so collected in
14 the manner hereinafter provided; and to determine all rights
15 to credit memoranda arising on account of the erroneous
16 payment of tax or penalty hereunder. In the administration of,
17 and compliance with, this paragraph, the Department and
18 persons who are subject to this paragraph shall have the same
19 rights, remedies, privileges, immunities, powers and duties,
20 and be subject to the same conditions, restrictions,
21 limitations, penalties, exclusions, exemptions and definitions
22 of terms, and employ the same modes of procedure, as are
23 prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2
24 through 2-65 (in respect to all provisions therein other than
25 the State rate of tax except that tangible personal property
26 taxed at the 1% rate under the Retailers' Occupation Tax Act

1 shall not be subject to tax hereunder), 2c, 3 (except as to the
2 disposition of taxes and penalties collected, and except that
3 the retailer's discount is not allowed for taxes paid on
4 aviation fuel sold on or after December 1, 2019 and through
5 December 31, 2020), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i,
6 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and
7 13 of the Retailers' Occupation Tax Act and Section 3-7 of the
8 Uniform Penalty and Interest Act, as fully as if those
9 provisions were set forth herein.

10 Persons subject to any tax imposed under the authority
11 granted in this paragraph may reimburse themselves for their
12 seller's tax liability hereunder by separately stating the tax
13 as an additional charge, which charge may be stated in
14 combination, in a single amount, with State taxes that sellers
15 are required to collect under the Use Tax Act and under
16 subsection (e) of Section 4.03 of the Regional Transportation
17 Authority Act, in accordance with such bracket schedules as
18 the Department may prescribe.

19 Whenever the Department determines that a refund should be
20 made under this paragraph to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the warrant to be drawn for the
23 amount specified, and to the person named, in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of a county water commission tax fund
26 established under subsection (g) of this Section.

1 For the purpose of determining whether a tax authorized
2 under this paragraph is applicable, a retail sale by a
3 producer of coal or other mineral mined in Illinois is a sale
4 at retail at the place where the coal or other mineral mined in
5 Illinois is extracted from the earth. This paragraph does not
6 apply to coal or other mineral when it is delivered or shipped
7 by the seller to the purchaser at a point outside Illinois so
8 that the sale is exempt under the Federal Constitution as a
9 sale in interstate or foreign commerce.

10 If a tax is imposed under this subsection (b), a tax shall
11 also be imposed under subsections (c) and (d) of this Section.

12 No tax shall be imposed or collected under this subsection
13 on the sale of a motor vehicle in this State to a resident of
14 another state if that motor vehicle will not be titled in this
15 State.

16 Nothing in this paragraph shall be construed to authorize
17 a county water commission to impose a tax upon the privilege of
18 engaging in any business which under the Constitution of the
19 United States may not be made the subject of taxation by this
20 State.

21 (c) If a tax has been imposed under subsection (b), a
22 County Water Commission Service Occupation Tax shall also be
23 imposed upon all persons engaged, in the territory of the
24 commission, in the business of making sales of service, who,
25 as an incident to making the sales of service, transfer
26 tangible personal property within the territory. The tax rate

1 shall be 1/4% of the selling price of tangible personal
2 property so transferred within the territory. Beginning
3 January 1, 2021, this tax is not imposed on sales of aviation
4 fuel for so long as the revenue use requirements of 49 U.S.C.
5 47107(b) and 49 U.S.C. 47133 are binding on the District.

6 The tax imposed under this paragraph and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the State Department of Revenue. The
9 Department shall have full power to administer and enforce
10 this paragraph; to collect all taxes and penalties due
11 hereunder; to dispose of taxes and penalties so collected in
12 the manner hereinafter provided; and to determine all rights
13 to credit memoranda arising on account of the erroneous
14 payment of tax or penalty hereunder. In the administration of,
15 and compliance with, this paragraph, the Department and
16 persons who are subject to this paragraph shall have the same
17 rights, remedies, privileges, immunities, powers and duties,
18 and be subject to the same conditions, restrictions,
19 limitations, penalties, exclusions, exemptions and definitions
20 of terms, and employ the same modes of procedure, as are
21 prescribed in Sections 1a-1, 2 (except that the reference to
22 State in the definition of supplier maintaining a place of
23 business in this State shall mean the territory of the
24 commission), 2a, 3 through 3-50 (in respect to all provisions
25 therein other than the State rate of tax except that tangible
26 personal property taxed at the 1% rate under the Service

1 Occupation Tax Act shall not be subject to tax hereunder), 4
2 (except that the reference to the State shall be to the
3 territory of the commission), 5, 7, 8 (except that the
4 jurisdiction to which the tax shall be a debt to the extent
5 indicated in that Section 8 shall be the commission), 9
6 (except as to the disposition of taxes and penalties collected
7 and except that the returned merchandise credit for this tax
8 may not be taken against any State tax, and except that the
9 retailer's discount is not allowed for taxes paid on aviation
10 fuel sold on or after December 1, 2019 and through December 31,
11 2020), 10, 11, 12 (except the reference therein to Section 2b
12 of the Retailers' Occupation Tax Act), 13 (except that any
13 reference to the State shall mean the territory of the
14 commission), the first paragraph of Section 15, 15.5, 16, 17,
15 18, 19, and 20 of the Service Occupation Tax Act as fully as if
16 those provisions were set forth herein.

17 Persons subject to any tax imposed under the authority
18 granted in this paragraph may reimburse themselves for their
19 serviceman's tax liability hereunder by separately stating the
20 tax as an additional charge, which charge may be stated in
21 combination, in a single amount, with State tax that
22 servicemen are authorized to collect under the Service Use Tax
23 Act, and any tax for which servicemen may be liable under
24 subsection (f) of Section 4.03 of the Regional Transportation
25 Authority Act, in accordance with such bracket schedules as
26 the Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this paragraph to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of a county water commission tax fund
8 established under subsection (g) of this Section.

9 Nothing in this paragraph shall be construed to authorize
10 a county water commission to impose a tax upon the privilege of
11 engaging in any business which under the Constitution of the
12 United States may not be made the subject of taxation by the
13 State.

14 (d) If a tax has been imposed under subsection (b), a tax
15 shall also be imposed upon the privilege of using, in the
16 territory of the commission, any item of tangible personal
17 property that is purchased outside the territory at retail
18 from a retailer, and that is titled or registered with an
19 agency of this State's government, at a rate of 1/4% of the
20 selling price of the tangible personal property within the
21 territory, as "selling price" is defined in the Use Tax Act.
22 The tax shall be collected from persons whose Illinois address
23 for titling or registration purposes is given as being in the
24 territory. The tax shall be collected by the Department of
25 Revenue for a county water commission. The tax must be paid to
26 the State, or an exemption determination must be obtained from

1 the Department of Revenue, before the title or certificate of
2 registration for the property may be issued. The tax or proof
3 of exemption may be transmitted to the Department by way of the
4 State agency with which, or the State officer with whom, the
5 tangible personal property must be titled or registered if the
6 Department and the State agency or State officer determine
7 that this procedure will expedite the processing of
8 applications for title or registration.

9 The Department shall have full power to administer and
10 enforce this paragraph; to collect all taxes, penalties, and
11 interest due hereunder; to dispose of taxes, penalties, and
12 interest so collected in the manner hereinafter provided; and
13 to determine all rights to credit memoranda or refunds arising
14 on account of the erroneous payment of tax, penalty, or
15 interest hereunder. In the administration of and compliance
16 with this paragraph, the Department and persons who are
17 subject to this paragraph shall have the same rights,
18 remedies, privileges, immunities, powers, and duties, and be
19 subject to the same conditions, restrictions, limitations,
20 penalties, exclusions, exemptions, and definitions of terms
21 and employ the same modes of procedure, as are prescribed in
22 Sections 2 (except the definition of "retailer maintaining a
23 place of business in this State"), 3 through 3-80 (except
24 provisions pertaining to the State rate of tax, and except
25 provisions concerning collection or refunding of the tax by
26 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions

1 pertaining to claims by retailers and except the last
2 paragraph concerning refunds), 20, 21, and 22 of the Use Tax
3 Act and Section 3-7 of the Uniform Penalty and Interest Act
4 that are not inconsistent with this paragraph, as fully as if
5 those provisions were set forth herein.

6 Whenever the Department determines that a refund should be
7 made under this paragraph to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the order to be drawn for the
10 amount specified, and to the person named, in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of a county water commission tax fund
13 established under subsection (g) of this Section.

14 (e) A certificate of registration issued by the State
15 Department of Revenue to a retailer under the Retailers'
16 Occupation Tax Act or under the Service Occupation Tax Act
17 shall permit the registrant to engage in a business that is
18 taxed under the tax imposed under subsection (b), (c), or (d)
19 of this Section and no additional registration shall be
20 required under the tax. A certificate issued under the Use Tax
21 Act or the Service Use Tax Act shall be applicable with regard
22 to any tax imposed under subsection (c) of this Section.

23 (f) Any ordinance imposing or discontinuing any tax under
24 this Section shall be adopted and a certified copy thereof
25 filed with the Department on or before June 1, whereupon the
26 Department of Revenue shall proceed to administer and enforce

1 this Section on behalf of the county water commission as of
2 September 1 next following the adoption and filing. Beginning
3 January 1, 1992, an ordinance or resolution imposing or
4 discontinuing the tax hereunder shall be adopted and a
5 certified copy thereof filed with the Department on or before
6 the first day of July, whereupon the Department shall proceed
7 to administer and enforce this Section as of the first day of
8 October next following such adoption and filing. Beginning
9 January 1, 1993, an ordinance or resolution imposing or
10 discontinuing the tax hereunder shall be adopted and a
11 certified copy thereof filed with the Department on or before
12 the first day of October, whereupon the Department shall
13 proceed to administer and enforce this Section as of the first
14 day of January next following such adoption and filing.

15 (g) The State Department of Revenue shall, upon collecting
16 any taxes as provided in this Section, pay the taxes over to
17 the State Treasurer as trustee for the commission. The taxes
18 shall be held in a trust fund outside the State Treasury.

19 As soon as possible after the first day of each month,
20 beginning January 1, 2011, upon certification of the
21 Department of Revenue, the Comptroller shall order
22 transferred, and the Treasurer shall transfer, to the STAR
23 Bonds Revenue Fund the local sales tax increment, as defined
24 in the Innovation Development and Economy Act, collected under
25 this Section during the second preceding calendar month for
26 sales within a STAR bond district.

1 After the monthly transfer to the STAR Bonds Revenue Fund,
2 on or before the 25th day of each calendar month, the State
3 Department of Revenue shall prepare and certify to the
4 Comptroller of the State of Illinois the amount to be paid to
5 the commission, which shall be the amount (not including
6 credit memoranda) collected under this Section during the
7 second preceding calendar month by the Department plus an
8 amount the Department determines is necessary to offset any
9 amounts that were erroneously paid to a different taxing body,
10 and not including any amount equal to the amount of refunds
11 made during the second preceding calendar month by the
12 Department on behalf of the commission, and not including any
13 amount that the Department determines is necessary to offset
14 any amounts that were payable to a different taxing body but
15 were erroneously paid to the commission, and less any amounts
16 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
17 of the remainder, which shall be transferred into the Tax
18 Compliance and Administration Fund. The Department, at the
19 time of each monthly disbursement to the commission, shall
20 prepare and certify to the State Comptroller the amount to be
21 transferred into the Tax Compliance and Administration Fund
22 under this subsection. Within 10 days after receipt by the
23 Comptroller of the certification of the amount to be paid to
24 the commission and the Tax Compliance and Administration Fund,
25 the Comptroller shall cause an order to be drawn for the
26 payment for the amount in accordance with the direction in the

1 certification.

2 (h) Beginning June 1, 2016, any tax imposed pursuant to
3 this Section may no longer be imposed or collected, unless a
4 continuation of the tax is approved by the voters at a
5 referendum as set forth in this Section.

6 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
7 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
8 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

9 (Text of Section after amendment by P.A. 104-457)

10 Sec. 4. Taxes.

11 (a) The board of commissioners of any county water
12 commission may, by ordinance, impose throughout the territory
13 of the commission any or all of the taxes provided in this
14 Section for its corporate purposes. However, no county water
15 commission may impose any such tax unless the commission
16 certifies the proposition of imposing the tax to the proper
17 election officials, who shall submit the proposition to the
18 voters residing in the territory at an election in accordance
19 with the general election law, and the proposition has been
20 approved by a majority of those voting on the proposition.

21 The proposition shall be in the form provided in Section 5
22 or shall be substantially in the following form:

23 -----

24 Shall the (insert corporate
25 name of county water commission)

YES

1 impose (state type of tax or
2 taxes to be imposed) at the
3 rate of 1/4%?

NO

4 -----
5 Taxes imposed under this Section and civil penalties
6 imposed incident thereto shall be collected and enforced by
7 the State Department of Revenue. The Department shall have the
8 power to administer and enforce the taxes and to determine all
9 rights for refunds for erroneous payments of the taxes.

10 (b) The board of commissioners may impose a County Water
11 Commission Retailers' Occupation Tax upon all persons engaged
12 in the business of selling tangible personal property at
13 retail in the territory of the commission at a rate of 1/4% of
14 the gross receipts from the sales made in the course of such
15 business within the territory. Beginning January 1, 2021, this
16 tax is not imposed on sales of aviation fuel for so long as the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133 are binding on the District.

19 The tax imposed under this paragraph and all civil
20 penalties that may be assessed as an incident thereof shall be
21 collected and enforced by the State Department of Revenue. The
22 Department shall have full power to administer and enforce
23 this paragraph; to collect all taxes and penalties due
24 hereunder; to dispose of taxes and penalties so collected in
25 the manner hereinafter provided; and to determine all rights
26 to credit memoranda arising on account of the erroneous

1 payment of tax or penalty hereunder. In the administration of,
2 and compliance with, this paragraph, the Department and
3 persons who are subject to this paragraph shall have the same
4 rights, remedies, privileges, immunities, powers and duties,
5 and be subject to the same conditions, restrictions,
6 limitations, penalties, exclusions, exemptions and definitions
7 of terms, and employ the same modes of procedure, as are
8 prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2
9 through 2-65 (in respect to all provisions therein other than
10 the State rate of tax except that tangible personal property
11 taxed at the 1% rate under the Retailers' Occupation Tax Act
12 shall not be subject to tax hereunder), 2c, 3 (except as to the
13 disposition of taxes and penalties collected, and except that
14 the retailer's discount is not allowed for taxes paid on
15 aviation fuel sold on or after December 1, 2019 and through
16 December 31, 2020), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5i,
17 5j, 5k, 5l, 5m, 5n, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and
18 13 of the Retailers' Occupation Tax Act and Section 3-7 of the
19 Uniform Penalty and Interest Act, as fully as if those
20 provisions were set forth herein.

21 Persons subject to any tax imposed under the authority
22 granted in this paragraph may reimburse themselves for their
23 seller's tax liability hereunder by separately stating the tax
24 as an additional charge, which charge may be stated in
25 combination, in a single amount, with State taxes that sellers
26 are required to collect under the Use Tax Act and under

1 subsection (e) of Section 4.03 of the Northern Illinois
2 Transit Authority Act, in accordance with such bracket
3 schedules as the Department may prescribe.

4 Whenever the Department determines that a refund should be
5 made under this paragraph to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the warrant to be drawn for the
8 amount specified, and to the person named, in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of a county water commission tax fund
11 established under subsection (g) of this Section.

12 For the purpose of determining whether a tax authorized
13 under this paragraph is applicable, a retail sale by a
14 producer of coal or other mineral mined in Illinois is a sale
15 at retail at the place where the coal or other mineral mined in
16 Illinois is extracted from the earth. This paragraph does not
17 apply to coal or other mineral when it is delivered or shipped
18 by the seller to the purchaser at a point outside Illinois so
19 that the sale is exempt under the Federal Constitution as a
20 sale in interstate or foreign commerce.

21 If a tax is imposed under this subsection (b), a tax shall
22 also be imposed under subsections (c) and (d) of this Section.

23 No tax shall be imposed or collected under this subsection
24 on the sale of a motor vehicle in this State to a resident of
25 another state if that motor vehicle will not be titled in this
26 State.

1 Nothing in this paragraph shall be construed to authorize
2 a county water commission to impose a tax upon the privilege of
3 engaging in any business which under the Constitution of the
4 United States may not be made the subject of taxation by this
5 State.

6 (c) If a tax has been imposed under subsection (b), a
7 County Water Commission Service Occupation Tax shall also be
8 imposed upon all persons engaged, in the territory of the
9 commission, in the business of making sales of service, who,
10 as an incident to making the sales of service, transfer
11 tangible personal property within the territory. The tax rate
12 shall be 1/4% of the selling price of tangible personal
13 property so transferred within the territory. Beginning
14 January 1, 2021, this tax is not imposed on sales of aviation
15 fuel for so long as the revenue use requirements of 49 U.S.C.
16 47107(b) and 49 U.S.C. 47133 are binding on the District.

17 The tax imposed under this paragraph and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the State Department of Revenue. The
20 Department shall have full power to administer and enforce
21 this paragraph; to collect all taxes and penalties due
22 hereunder; to dispose of taxes and penalties so collected in
23 the manner hereinafter provided; and to determine all rights
24 to credit memoranda arising on account of the erroneous
25 payment of tax or penalty hereunder. In the administration of,
26 and compliance with, this paragraph, the Department and

1 persons who are subject to this paragraph shall have the same
2 rights, remedies, privileges, immunities, powers and duties,
3 and be subject to the same conditions, restrictions,
4 limitations, penalties, exclusions, exemptions and definitions
5 of terms, and employ the same modes of procedure, as are
6 prescribed in Sections 1a-1, 2 (except that the reference to
7 State in the definition of supplier maintaining a place of
8 business in this State shall mean the territory of the
9 commission), 2a, 3 through 3-50 (in respect to all provisions
10 therein other than the State rate of tax except that tangible
11 personal property taxed at the 1% rate under the Service
12 Occupation Tax Act shall not be subject to tax hereunder), 4
13 (except that the reference to the State shall be to the
14 territory of the commission), 5, 7, 8 (except that the
15 jurisdiction to which the tax shall be a debt to the extent
16 indicated in that Section 8 shall be the commission), 9
17 (except as to the disposition of taxes and penalties collected
18 and except that the returned merchandise credit for this tax
19 may not be taken against any State tax, and except that the
20 retailer's discount is not allowed for taxes paid on aviation
21 fuel sold on or after December 1, 2019 and through December 31,
22 2020), 10, 11, 12 (except the reference therein to Section 2b
23 of the Retailers' Occupation Tax Act), 13 (except that any
24 reference to the State shall mean the territory of the
25 commission), the first paragraph of Section 15, 15.5, 16, 17,
26 18, 19, and 20 of the Service Occupation Tax Act as fully as if

1 those provisions were set forth herein.

2 Persons subject to any tax imposed under the authority
3 granted in this paragraph may reimburse themselves for their
4 serviceman's tax liability hereunder by separately stating the
5 tax as an additional charge, which charge may be stated in
6 combination, in a single amount, with State tax that
7 servicemen are authorized to collect under the Service Use Tax
8 Act, and any tax for which servicemen may be liable under
9 subsection (f) of Section 4.03 of the Northern Illinois
10 Transit Authority Act, in accordance with such bracket
11 schedules as the Department may prescribe.

12 Whenever the Department determines that a refund should be
13 made under this paragraph to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the warrant to be drawn for the
16 amount specified, and to the person named, in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of a county water commission tax fund
19 established under subsection (g) of this Section.

20 Nothing in this paragraph shall be construed to authorize
21 a county water commission to impose a tax upon the privilege of
22 engaging in any business which under the Constitution of the
23 United States may not be made the subject of taxation by the
24 State.

25 (d) If a tax has been imposed under subsection (b), a tax
26 shall also be imposed upon the privilege of using, in the

1 territory of the commission, any item of tangible personal
2 property that is purchased outside the territory at retail
3 from a retailer, and that is titled or registered with an
4 agency of this State's government, at a rate of 1/4% of the
5 selling price of the tangible personal property within the
6 territory, as "selling price" is defined in the Use Tax Act.
7 The tax shall be collected from persons whose Illinois address
8 for titling or registration purposes is given as being in the
9 territory. The tax shall be collected by the Department of
10 Revenue for a county water commission. The tax must be paid to
11 the State, or an exemption determination must be obtained from
12 the Department of Revenue, before the title or certificate of
13 registration for the property may be issued. The tax or proof
14 of exemption may be transmitted to the Department by way of the
15 State agency with which, or the State officer with whom, the
16 tangible personal property must be titled or registered if the
17 Department and the State agency or State officer determine
18 that this procedure will expedite the processing of
19 applications for title or registration.

20 The Department shall have full power to administer and
21 enforce this paragraph; to collect all taxes, penalties, and
22 interest due hereunder; to dispose of taxes, penalties, and
23 interest so collected in the manner hereinafter provided; and
24 to determine all rights to credit memoranda or refunds arising
25 on account of the erroneous payment of tax, penalty, or
26 interest hereunder. In the administration of and compliance

1 with this paragraph, the Department and persons who are
2 subject to this paragraph shall have the same rights,
3 remedies, privileges, immunities, powers, and duties, and be
4 subject to the same conditions, restrictions, limitations,
5 penalties, exclusions, exemptions, and definitions of terms
6 and employ the same modes of procedure, as are prescribed in
7 Sections 2 (except the definition of "retailer maintaining a
8 place of business in this State"), 3 through 3-80 (except
9 provisions pertaining to the State rate of tax, and except
10 provisions concerning collection or refunding of the tax by
11 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
12 pertaining to claims by retailers and except the last
13 paragraph concerning refunds), 20, 21, and 22 of the Use Tax
14 Act and Section 3-7 of the Uniform Penalty and Interest Act
15 that are not inconsistent with this paragraph, as fully as if
16 those provisions were set forth herein.

17 Whenever the Department determines that a refund should be
18 made under this paragraph to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the order to be drawn for the
21 amount specified, and to the person named, in the notification
22 from the Department. The refund shall be paid by the State
23 Treasurer out of a county water commission tax fund
24 established under subsection (g) of this Section.

25 (e) A certificate of registration issued by the State
26 Department of Revenue to a retailer under the Retailers'

1 Occupation Tax Act or under the Service Occupation Tax Act
2 shall permit the registrant to engage in a business that is
3 taxed under the tax imposed under subsection (b), (c), or (d)
4 of this Section and no additional registration shall be
5 required under the tax. A certificate issued under the Use Tax
6 Act or the Service Use Tax Act shall be applicable with regard
7 to any tax imposed under subsection (c) of this Section.

8 (f) Any ordinance imposing or discontinuing any tax under
9 this Section shall be adopted and a certified copy thereof
10 filed with the Department on or before June 1, whereupon the
11 Department of Revenue shall proceed to administer and enforce
12 this Section on behalf of the county water commission as of
13 September 1 next following the adoption and filing. Beginning
14 January 1, 1992, an ordinance or resolution imposing or
15 discontinuing the tax hereunder shall be adopted and a
16 certified copy thereof filed with the Department on or before
17 the first day of July, whereupon the Department shall proceed
18 to administer and enforce this Section as of the first day of
19 October next following such adoption and filing. Beginning
20 January 1, 1993, an ordinance or resolution imposing or
21 discontinuing the tax hereunder shall be adopted and a
22 certified copy thereof filed with the Department on or before
23 the first day of October, whereupon the Department shall
24 proceed to administer and enforce this Section as of the first
25 day of January next following such adoption and filing.

26 (g) The State Department of Revenue shall, upon collecting

1 any taxes as provided in this Section, pay the taxes over to
2 the State Treasurer as trustee for the commission. The taxes
3 shall be held in a trust fund outside the State treasury.

4 As soon as possible after the first day of each month,
5 beginning January 1, 2011, upon certification of the
6 Department of Revenue, the Comptroller shall order
7 transferred, and the Treasurer shall transfer, to the STAR
8 Bonds Revenue Fund the local sales tax increment, as defined
9 in the Innovation Development and Economy Act, collected under
10 this Section during the second preceding calendar month for
11 sales within a STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on or before the 25th day of each calendar month, the State
14 Department of Revenue shall prepare and certify to the
15 Comptroller of the State of Illinois the amount to be paid to
16 the commission, which shall be the amount (not including
17 credit memoranda) collected under this Section during the
18 second preceding calendar month by the Department plus an
19 amount the Department determines is necessary to offset any
20 amounts that were erroneously paid to a different taxing body,
21 and not including any amount equal to the amount of refunds
22 made during the second preceding calendar month by the
23 Department on behalf of the commission, and not including any
24 amount that the Department determines is necessary to offset
25 any amounts that were payable to a different taxing body but
26 were erroneously paid to the commission, and less any amounts

1 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
2 of the remainder, which shall be transferred into the Tax
3 Compliance and Administration Fund. The Department, at the
4 time of each monthly disbursement to the commission, shall
5 prepare and certify to the State Comptroller the amount to be
6 transferred into the Tax Compliance and Administration Fund
7 under this subsection. Within 10 days after receipt by the
8 Comptroller of the certification of the amount to be paid to
9 the commission and the Tax Compliance and Administration Fund,
10 the Comptroller shall cause an order to be drawn for the
11 payment for the amount in accordance with the direction in the
12 certification.

13 (h) Beginning June 1, 2016, any tax imposed pursuant to
14 this Section may no longer be imposed or collected, unless a
15 continuation of the tax is approved by the voters at a
16 referendum as set forth in this Section.

17 (Source: P.A. 104-457, eff. 6-1-26.)

18 Section 70-110. The Illinois Insurance Code is amended by
19 changing Section 414a as follows:

20 (215 ILCS 5/414a) (from Ch. 73, par. 1026a)

21 Sec. 414a. Notwithstanding the provisions of this or any
22 other Act, the tax authorized by Section 414 of this Act shall
23 not be imposed after January 1, 1979; provided that this
24 Section shall not prohibit the collection after January 1,

1 1979 of any taxes levied under Section 414 prior to January 1,
2 1979, on property subject to assessment and taxation under
3 Section 414 of this Act prior to January 1, 1979. For the
4 purpose of replacing the revenue lost by taxing districts, as
5 defined in Section 1-150 of the Property Tax Code, as a result
6 of the abolition of ad valorem taxes on personal property
7 after January 1, 1979, there shall be imposed the taxes
8 described in Section 201(c) and (d) of the Illinois Income Tax
9 Act, ~~Section 2a.1 of the Messages Tax Act,~~ Section 2a.1 of the
10 Gas Revenue Tax Act, Section 2a.1 of the Public Utilities
11 Revenue Act, and Section 1 of the Water Company Invested
12 Capital Tax Act. Such replacement taxes owed within one year
13 of the effective date of the taxes established by this
14 amendatory Act of 1979 shall replace the personal property tax
15 levies of 1979. The replacement taxes owed in each succeeding
16 year shall replace the personal property tax that could have
17 been levied in each succeeding year.

18 (Source: P.A. 88-670, eff. 12-2-94.)

19 Section 70-115. The Public Utilities Act is amended by
20 changing Section 9-222 as follows:

21 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

22 Sec. 9-222. Whenever a tax is imposed upon a public
23 utility engaged in the business of distributing, supplying,
24 furnishing, or selling gas for use or consumption pursuant to

1 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
2 required to be collected by a delivering supplier pursuant to
3 Section 2-7 of the Electricity Excise Tax Act, or whenever a
4 tax is imposed upon a public utility pursuant to Section 2-202
5 of this Act, such utility may charge its customers, other than
6 customers who are high impact businesses under Section 5.5 of
7 the Illinois Enterprise Zone Act, customers who are certified
8 under Section 95 of the Reimagining Energy and Vehicles in
9 Illinois Act, manufacturers under the Manufacturing Illinois
10 Chips for Real Opportunity (MICRO) Act, customers who are
11 tenants in a quantum computing campus under Section 605-1115
12 of the Department of Commerce and Economic Opportunity Law of
13 the Civil Administrative Code of Illinois, or certified
14 business enterprises under Section 9-222.1 of this Act, to the
15 extent of such exemption and during the period in which such
16 exemption is in effect, in addition to any rate authorized by
17 this Act, an additional charge equal to the total amount of
18 such taxes. The exemption of this Section relating to high
19 impact businesses shall be subject to the provisions of
20 subsections (a), (b), and (b-5) of Section 5.5 of the Illinois
21 Enterprise Zone Act. This requirement shall not apply to taxes
22 on invested capital imposed pursuant to ~~the Messages Tax Act,~~
23 the Gas Revenue Tax Act and the Public Utilities Revenue Act.
24 Such utility shall file with the Commission a supplemental
25 schedule which shall specify such additional charge and which
26 shall become effective upon filing without further notice.

1 Such additional charge shall be shown separately on the
2 utility bill to each customer. The Commission shall have the
3 power to investigate whether or not such supplemental schedule
4 correctly specifies such additional charge, but shall have no
5 power to suspend such supplemental schedule. If the Commission
6 finds, after a hearing, that such supplemental schedule does
7 not correctly specify such additional charge, it shall by
8 order require a refund to the appropriate customers of the
9 excess, if any, with interest, in such manner as it shall deem
10 just and reasonable, and in and by such order shall require the
11 utility to file an amended supplemental schedule corresponding
12 to the finding and order of the Commission. Except with
13 respect to taxes imposed on invested capital, such tax
14 liabilities shall be recovered from customers solely by means
15 of the additional charges authorized by this Section.

16 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
17 102-1125, eff. 2-3-23; 103-595, eff. 6-26-24.)

18 Section 70-120. The Illinois Pull Tabs and Jar Games Act
19 is amended by changing Section 5 as follows:

20 (230 ILCS 20/5) (from Ch. 120, par. 1055)

21 Sec. 5. Payments; returns. There shall be paid to the
22 Department of Revenue 5% of the gross proceeds of any pull tabs
23 and jar games conducted under this Act. Such payments shall be
24 made 4 times per year, between the first and the 20th day of

1 April, July, October and January. Accompanying each payment
2 shall be a return, on forms prescribed by the Department of
3 Revenue. Failure to submit either the payment or the return
4 within the specified time shall result in suspension or
5 revocation of the license. Tax returns filed pursuant to this
6 Act shall not be confidential and shall be available for
7 public inspection. All payments made to the Department of
8 Revenue under this Act shall be deposited as follows:

9 (a) 50% shall be deposited in the Common School Fund;
10 and

11 (b) 50% shall be deposited in the Illinois Gaming Law
12 Enforcement Fund. Of the monies deposited in the Illinois
13 Gaming Law Enforcement Fund under this Section, the
14 General Assembly shall appropriate two-thirds to the
15 Department of Revenue, Illinois State Police and the
16 Office of the Attorney General for State law enforcement
17 purposes, and one-third shall be appropriated to the
18 Department of Revenue for the purpose of distribution in
19 the form of grants to counties or municipalities for law
20 enforcement purposes. The amounts of grants to counties or
21 municipalities shall bear the same ratio as the number of
22 licenses issued in counties or municipalities bears to the
23 total number of licenses issued in the State. In computing
24 the number of licenses issued in a county, licenses issued
25 for locations within a municipality's boundaries shall be
26 excluded.

1 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
2 5g, ~~5h~~, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the
3 Retailers' Occupation Tax Act, and Section 3-7 of the Uniform
4 Penalty and Interest Act, which are not inconsistent with this
5 Act shall apply, as far as practicable, to the subject matter
6 of this Act to the same extent as if such provisions were
7 included in this Act. For the purposes of this Act, references
8 in such incorporated Sections of the Retailers' Occupation Tax
9 Act to retailers, sellers or persons engaged in the business
10 of selling tangible personal property means persons engaged in
11 conducting pull tabs and jar games and references in such
12 incorporated Sections of the Retailers' Occupation Tax Act to
13 sales of tangible personal property mean the conducting of
14 pull tabs and jar games and the making of charges for
15 participating in such drawings.

16 If any payment provided for in this Section exceeds the
17 taxpayer's liabilities under this Act, as shown on an original
18 return, the taxpayer may credit such excess payment against
19 liability subsequently to be remitted to the Department under
20 this Act, in accordance with reasonable rules adopted by the
21 Department.

22 (Source: P.A. 102-538, eff. 8-20-21.)

23 Section 70-125. The Liquor Control Act of 1934 is amended
24 by changing Section 8-14 as follows:

1 (235 ILCS 5/8-14) (from Ch. 43, par. 165a)

2 Sec. 8-14. All of the provisions of Sections 5a, 5b, 5c,
3 5d, 5e, 5f, 5g, ~~5h~~, 5i and 5j of the Retailers' Occupation Tax
4 Act and Section 3-7 of the Uniform Penalty and Interest Act,
5 are by reference incorporated in and made a part of this
6 Article VIII as fully as though written herein; provided that
7 wherever in those Sections of the Retailers' Occupation Tax
8 Act, reference is made to a "retailer" such reference shall,
9 for the purposes of this Article, be deemed to refer to a
10 licensee under this Act.

11 (Source: P.A. 87-205.)

12 Section 70-130. The Cannabis Regulation and Tax Act is
13 amended by changing Section 65-40 as follows:

14 (410 ILCS 705/65-40)

15 Sec. 65-40. Department administration and enforcement. The
16 Department shall have full power to administer and enforce
17 this Article, to collect all taxes and penalties due
18 hereunder, to dispose of taxes and penalties so collected in
19 the manner hereinafter provided, and to determine all rights
20 to credit memoranda, arising on account of the erroneous
21 payment of tax or penalty hereunder.

22 In the administration of, and compliance with, this
23 Article, the Department and persons who are subject to this
24 Article shall have the same rights, remedies, privileges,

1 immunities, powers, and duties, and be subject to the same
2 conditions, restrictions, limitations, penalties, and
3 definitions of terms, and employ the same modes of procedure,
4 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,
5 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and
6 Sections 1, 2-12, 2b, 4 (except that the time limitation
7 provisions shall run from the date when the tax is due rather
8 than from the date when gross receipts are received), 5
9 (except that the time limitation provisions on the issuance of
10 notices of tax liability shall run from the date when the tax
11 is due rather than from the date when gross receipts are
12 received and except that in the case of a failure to file a
13 return required by this Act, no notice of tax liability shall
14 be issued on and after each July 1 and January 1 covering tax
15 due with that return during any month or period more than 6
16 years before that July 1 or January 1, respectively), 5a, 5b,
17 5c, 5d, 5e, 5f, 5g, ~~5h~~, 5j, 6d, 7, 8, 9, 10, 11, and 12 of the
18 Retailers' Occupation Tax Act and all of the provisions of the
19 Uniform Penalty and Interest Act, which are not inconsistent
20 with this Article, as fully as if those provisions were set
21 forth herein. References in the incorporated Sections of the
22 Retailers' Occupation Tax Act and the Use Tax Act to
23 retailers, to sellers, or to persons engaged in the business
24 of selling tangible personal property mean cannabis retailers
25 when used in this Article. References in the incorporated
26 Sections to sales of tangible personal property mean sales of

1 cannabis subject to tax under this Article when used in this
2 Article.

3 (Source: P.A. 101-27, eff. 6-25-19.)

4 Section 70-135. The Illinois Vehicle Code is amended by
5 changing Section 3-1001 as follows:

6 (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

7 Sec. 3-1001. A tax is hereby imposed on the privilege of
8 using, in this State, any motor vehicle as defined in Section
9 1-146 of this Code acquired by gift, transfer, or purchase,
10 and having a year model designation preceding the year of
11 application for title by 5 or fewer years prior to October 1,
12 1985 and 10 or fewer years on and after October 1, 1985 and
13 prior to January 1, 1988. On and after January 1, 1988, the tax
14 shall apply to all motor vehicles without regard to model
15 year. Except that the tax shall not apply:

16 (i) if the use of the motor vehicle is otherwise taxed
17 under the Use Tax Act;

18 (ii) if the use of the motor vehicle is not subject to
19 the Use Tax Act by reason of Section 3-5 of that Act ~~bought~~
20 ~~and used by a governmental agency or a society,~~
21 ~~association, foundation or institution organized and~~
22 ~~operated exclusively for charitable, religious or~~
23 ~~educational purposes;~~

24 (iii) if the use of the motor vehicle is not subject to

1 the Use Tax Act by reason of subsection (a), (b), (c), (d),
2 (e) or (f) of Section 3-55 of that Act dealing with the
3 prevention of actual or likely multistate taxation;

4 (iv) to implements of husbandry;

5 (v) when a junking certificate is issued pursuant to
6 Section 3-117(a) of this Code;

7 (vi) when a vehicle is subject to the replacement
8 vehicle tax imposed by Section 3-2001 of this Act;

9 (vii) when the transfer is a gift to a beneficiary in
10 the administration of an estate and the beneficiary is a
11 surviving spouse;

12 (viii) if the motor vehicle is purchased for the
13 purpose of resale by a retailer registered under Section
14 2a of the Retailers' Occupation Tax Act.

15 Prior to January 1, 1988, the rate of tax shall be 5% of
16 the selling price for each purchase of a motor vehicle covered
17 by Section 3-1001 of this Code. Except as hereinafter
18 provided, beginning January 1, 1988 and until January 1, 2022,
19 the rate of tax shall be as follows for transactions in which
20 the selling price of the motor vehicle is less than \$15,000:

21	Number of Years Transpired After	Applicable Tax
22	Model Year of Motor Vehicle	
23	1 or less	\$390
24	2	290
25	3	215
26	4	165

1	5	115
2	6	90
3	7	80
4	8	65
5	9	50
6	10	40
7	over 10	25

8 Except as hereinafter provided, beginning January 1, 1988 and
9 until January 1, 2022, the rate of tax shall be as follows for
10 transactions in which the selling price of the motor vehicle
11 is \$15,000 or more:

12	Selling Price	Applicable Tax
13	\$15,000 - \$19,999	\$ 750
14	\$20,000 - \$24,999	\$1,000
15	\$25,000 - \$29,999	\$1,250
16	\$30,000 and over	\$1,500

17 Except as hereinafter provided, beginning on January 1,
18 2022, the rate of tax shall be as follows for transactions in
19 which the selling price of the motor vehicle is less than
20 \$15,000:

21 (1) if one year or less has transpired after the model
22 year of the vehicle, then the applicable tax is \$465;

23 (2) if 2 years have transpired after the model year of
24 the motor vehicle, then the applicable tax is \$365;

25 (3) if 3 years have transpired after the model year of
26 the motor vehicle, then the applicable tax is \$290;

1 (4) if 4 years have transpired after the model year of
2 the motor vehicle, then the applicable tax is \$240;

3 (5) if 5 years have transpired after the model year of
4 the motor vehicle, then the applicable tax is \$190;

5 (6) if 6 years have transpired after the model year of
6 the motor vehicle, then the applicable tax is \$165;

7 (7) if 7 years have transpired after the model year of
8 the motor vehicle, then the applicable tax is \$155;

9 (8) if 8 years have transpired after the model year of
10 the motor vehicle, then the applicable tax is \$140;

11 (9) if 9 years have transpired after the model year of
12 the motor vehicle, then the applicable tax is \$125;

13 (10) if 10 years have transpired after the model year
14 of the motor vehicle, then the applicable tax is \$115; and

15 (11) if more than 10 years have transpired after the
16 model year of the motor vehicle, then the applicable tax
17 is \$100.

18 Except as hereinafter provided, beginning on January 1,
19 2022, the rate of tax shall be as follows for transactions in
20 which the selling price of the motor vehicle is \$15,000 or
21 more:

22 (1) if the selling price is \$15,000 or more, but less
23 than \$20,000, then the applicable tax shall be \$850;

24 (2) if the selling price is \$20,000 or more, but less
25 than \$25,000, then the applicable tax shall be \$1,100;

26 (3) if the selling price is \$25,000 or more, but less

1 than \$30,000, then the applicable tax shall be \$1,350;

2 (4) if the selling price is \$30,000 or more, but less
3 than \$50,000, then the applicable tax shall be \$1,600;

4 (5) if the selling price is \$50,000 or more, but less
5 than \$100,000, then the applicable tax shall be \$2,600;

6 (6) if the selling price is \$100,000 or more, but less
7 than \$1,000,000, then the applicable tax shall be \$5,100;
8 and

9 (7) if the selling price is \$1,000,000 or more, then
10 the applicable tax shall be \$10,100.

11 For the following transactions, the tax rate shall be \$15 for
12 each motor vehicle acquired in such transaction:

13 (i) when the transferee or purchaser is the spouse,
14 mother, father, brother, sister or child of the
15 transferor;

16 (ii) when the transfer is a gift to a beneficiary in
17 the administration of an estate, including, but not
18 limited to, the administration of an inter vivos trust
19 that became irrevocable upon the death of a grantor, and
20 the beneficiary is not a surviving spouse;

21 (iii) when a motor vehicle which has once been
22 subjected to the Illinois retailers' occupation tax or use
23 tax is transferred in connection with the organization,
24 reorganization, dissolution or partial liquidation of an
25 incorporated or unincorporated business wherein the
26 beneficial ownership is not changed.

A claim that the transaction is taxable under subparagraph (i) shall be supported by such proof of family relationship as provided by rules of the Department.

For a transaction in which a motorcycle, motor driven cycle or moped is acquired the tax rate shall be \$25.

On and after October 1, 1985 and until January 1, 2022, 1/12 of \$5,000,000 of the moneys received by the Department of Revenue pursuant to this Section shall be paid each month into the Build Illinois Fund; on and after January 1, 2022, 1/12 of \$40,000,000 of the moneys received by the Department of Revenue pursuant to this Section shall be paid each month into the Build Illinois Fund; and the remainder shall be paid into the General Revenue Fund.

The tax imposed by this Section shall be abated and no longer imposed when the amount deposited to secure the bonds issued pursuant to the Build Illinois Bond Act is sufficient to provide for the payment of the principal of, and interest and premium, if any, on the bonds, as certified to the State Comptroller and the Director of Revenue by the Director of the Governor's Office of Management and Budget.

(Source: P.A. 104-6, eff. 6-16-25.)

ARTICLE 75

Section 75-5. The Retailers' Occupation Tax Act is amended by changing Sections 2a and 2b as follows:

1 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

2 Sec. 2a. Registration of retailers. It is unlawful for any
3 person to engage in the business of selling, which, on and
4 after January 1, 2025, includes leasing, tangible personal
5 property at retail in this State without a certificate of
6 registration from the Department. Application for a
7 certificate of registration shall be made to the Department
8 upon forms furnished by it. Each such application shall be
9 signed and verified and shall state: (1) the name and social
10 security number of the applicant; (2) the address of his
11 principal place of business; (3) the address of the principal
12 place of business from which he engages in the business of
13 selling tangible personal property at retail in this State and
14 the addresses of all other places of business, if any
15 (enumerating such addresses, if any, in a separate list
16 attached to and made a part of the application), from which he
17 engages in the business of selling tangible personal property
18 at retail in this State; (4) the name and address of the person
19 or persons who will be responsible for filing returns and
20 payment of taxes due under this Act; (5) in the case of a
21 publicly traded corporation, the name and title of the Chief
22 Financial Officer, Chief Operating Officer, and any other
23 officer or employee with responsibility for preparing tax
24 returns under this Act, and, in the case of all other
25 corporations, the name, title, and social security number of

1 each corporate officer; (6) in the case of a limited liability
2 company, the name, social security number, and FEIN number of
3 each manager and member; and (7) such other information as the
4 Department may reasonably require. The application shall
5 contain an acceptance of responsibility signed by the person
6 or persons who will be responsible for filing returns and
7 payment of the taxes due under this Act. If the applicant will
8 sell tangible personal property at retail through vending
9 machines, his application to register shall indicate the
10 number of vending machines to be so operated. If requested by
11 the Department at any time, that person shall verify the total
12 number of vending machines he or she uses in his or her
13 business of selling tangible personal property at retail.

14 The Department shall provide by rule for an expedited
15 business registration process for remote retailers required to
16 register and file under subsection (b) of Section 2 who use a
17 certified service provider to file their returns under this
18 Act. Such expedited registration process shall allow the
19 Department to register a taxpayer based upon the same
20 registration information required by the Streamlined Sales Tax
21 Governing Board for states participating in the Streamlined
22 Sales Tax Project.

23 The Department may deny a certificate of registration to
24 any applicant if a person who is named as the owner, a partner,
25 a manager or member of a limited liability company, or a
26 corporate officer of the applicant on the application for the

1 certificate of registration is or has been named as the owner,
2 a partner, a manager or member of a limited liability company,
3 or a corporate officer on the application for the certificate
4 of registration of another retailer that (i) is in default for
5 moneys due under this Act or any other tax or fee Act
6 administered by the Department or (ii) fails to file any
7 return, on or before the due date prescribed for filing that
8 return (including any extensions of time granted by the
9 Department), that the retailer is required to file under this
10 Act or any other tax or fee Act administered by the Department.
11 For purposes of this paragraph only, in determining whether a
12 person is in default for moneys due, the Department shall
13 include only amounts established as a final liability within
14 the 23 years prior to the date of the Department's notice of
15 denial of a certificate of registration.

16 The Department may require an applicant for a certificate
17 of registration hereunder to, at the time of filing such
18 application, furnish a bond from a surety company authorized
19 to do business in the State of Illinois, or an irrevocable bank
20 letter of credit or a bond signed by 2 personal sureties who
21 have filed, with the Department, sworn statements disclosing
22 net assets equal to at least 3 times the amount of the bond to
23 be required of such applicant, or a bond secured by an
24 assignment of a bank account or certificate of deposit, stocks
25 or bonds, conditioned upon the applicant paying to the State
26 of Illinois all moneys becoming due under this Act and under

1 any other State tax law or municipal or county tax ordinance or
2 resolution under which the certificate of registration that is
3 issued to the applicant under this Act will permit the
4 applicant to engage in business without registering separately
5 under such other law, ordinance or resolution. In making a
6 determination as to whether to require a bond or other
7 security, the Department shall take into consideration whether
8 the owner, any partner, any manager or member of a limited
9 liability company, or a corporate officer of the applicant is
10 or has been the owner, a partner, a manager or member of a
11 limited liability company, or a corporate officer of another
12 retailer that is in default for moneys due under this Act or
13 any other tax or fee Act administered by the Department; and
14 whether the owner, any partner, any manager or member of a
15 limited liability company, or a corporate officer of the
16 applicant is or has been the owner, a partner, a manager or
17 member of a limited liability company, or a corporate officer
18 of another retailer whose certificate of registration has been
19 revoked within the previous 5 years under this Act or any other
20 tax or fee Act administered by the Department. If a bond or
21 other security is required, the Department shall fix the
22 amount of the bond or other security, taking into
23 consideration the amount of money expected to become due from
24 the applicant under this Act and under any other State tax law
25 or municipal or county tax ordinance or resolution under which
26 the certificate of registration that is issued to the

1 applicant under this Act will permit the applicant to engage
2 in business without registering separately under such other
3 law, ordinance, or resolution. The amount of security required
4 by the Department shall be such as, in its opinion, will
5 protect the State of Illinois against failure to pay the
6 amount which may become due from the applicant under this Act
7 and under any other State tax law or municipal or county tax
8 ordinance or resolution under which the certificate of
9 registration that is issued to the applicant under this Act
10 will permit the applicant to engage in business without
11 registering separately under such other law, ordinance or
12 resolution, but the amount of the security required by the
13 Department shall not exceed three times the amount of the
14 applicant's average monthly tax liability, or \$50,000.00,
15 whichever amount is lower.

16 No certificate of registration under this Act shall be
17 issued by the Department until the applicant provides the
18 Department with satisfactory security, if required, as herein
19 provided for.

20 Upon receipt of the application for certificate of
21 registration in proper form, and upon approval by the
22 Department of the security furnished by the applicant, if
23 required, the Department shall issue to such applicant, in the
24 manner and form determined by the Department, a certificate of
25 registration which shall permit the person to whom it is
26 issued to engage in the business of selling tangible personal

1 property at retail in this State. The certificate of
2 registration shall be conspicuously displayed, in the manner
3 and form as the Department may require by rule, at the place of
4 business which the person so registered states in his
5 application to be the principal place of business from which
6 he engages in the business of selling tangible personal
7 property at retail in this State.

8 No certificate of registration issued prior to July 1,
9 2017 to a taxpayer who files returns required by this Act on a
10 monthly basis or renewed prior to July 1, 2017 by a taxpayer
11 who files returns required by this Act on a monthly basis shall
12 be valid after the expiration of 5 years from the date of its
13 issuance or last renewal. No certificate of registration
14 issued on or after July 1, 2017 to a taxpayer who files returns
15 required by this Act on a monthly basis or renewed on or after
16 July 1, 2017 by a taxpayer who files returns required by this
17 Act on a monthly basis shall be valid after the expiration of
18 one year from the date of its issuance or last renewal. The
19 expiration date of a sub-certificate of registration shall be
20 that of the certificate of registration to which the
21 sub-certificate relates. Prior to July 1, 2017, a certificate
22 of registration shall automatically be renewed, subject to
23 revocation as provided by this Act, for an additional 5 years
24 from the date of its expiration unless otherwise notified by
25 the Department as provided by this paragraph. On and after
26 July 1, 2017, a certificate of registration shall

1 automatically be renewed, subject to revocation as provided by
2 this Act, for an additional one year from the date of its
3 expiration unless otherwise notified by the Department as
4 provided by this paragraph.

5 Where a taxpayer to whom a certificate of registration is
6 issued under this Act is in default to the State of Illinois
7 for delinquent returns or for moneys due under this Act or any
8 other State tax law or municipal or county ordinance
9 administered or enforced by the Department, the Department
10 shall, not less than 60 days before the expiration date of such
11 certificate of registration, give notice to the taxpayer to
12 whom the certificate was issued of the account period of the
13 delinquent returns, the amount of tax, penalty and interest
14 due and owing from the taxpayer, and that the certificate of
15 registration shall not be automatically renewed upon its
16 expiration date unless the taxpayer, on or before the date of
17 expiration, has filed and paid the delinquent returns or paid
18 the defaulted amount in full. A taxpayer to whom such a notice
19 is issued shall be deemed an applicant for renewal. The
20 Department shall promulgate regulations establishing
21 procedures for taxpayers who file returns on a monthly basis
22 but desire and qualify to change to a quarterly or yearly
23 filing basis and will no longer be subject to renewal under
24 this Section, and for taxpayers who file returns on a yearly or
25 quarterly basis but who desire or are required to change to a
26 monthly filing basis and will be subject to renewal under this

1 Section.

2 The Department may in its discretion approve renewal by an
3 applicant who is in default if, at the time of application for
4 renewal, the applicant files all of the delinquent returns or
5 pays to the Department such percentage of the defaulted amount
6 as may be determined by the Department and agrees in writing to
7 waive all limitations upon the Department for collection of
8 the remaining defaulted amount to the Department over a period
9 not to exceed 5 years from the date of renewal of the
10 certificate; however, no renewal application submitted by an
11 applicant who is in default shall be approved if the
12 immediately preceding renewal by the applicant was conditioned
13 upon the installment payment agreement described in this
14 Section. The payment agreement herein provided for shall be in
15 addition to and not in lieu of the security that may be
16 required by this Section of a taxpayer who is no longer
17 considered a prior continuous compliance taxpayer. The
18 execution of the payment agreement as provided in this Act
19 shall not toll the accrual of interest at the statutory rate.

20 The Department may suspend a certificate of registration
21 if the Department finds that the person to whom the
22 certificate of registration has been issued knowingly sold
23 contraband cigarettes.

24 A certificate of registration issued under this Act more
25 than 5 years before January 1, 1990 (the effective date of
26 Public Act 86-383) shall expire and be subject to the renewal

1 provisions of this Section on the next anniversary of the date
2 of issuance of such certificate which occurs more than 6
3 months after January 1, 1990 (the effective date of Public Act
4 86-383). A certificate of registration issued less than 5
5 years before January 1, 1990 (the effective date of Public Act
6 86-383) shall expire and be subject to the renewal provisions
7 of this Section on the 5th anniversary of the issuance of the
8 certificate.

9 If a person who is licensed as a retailer of alcoholic
10 liquor under the Liquor Control Act of 1934 has had the renewal
11 of his or her certificate of registration denied under this
12 Section 2a, then, pursuant to Section 7-6.5 of the Liquor
13 Control Act of 1934, the Department shall file a notice with
14 the Liquor Control Commission that includes a certification,
15 signed by the Director of Revenue or his or her designee,
16 attesting that the person's certificate of registration
17 renewal has been denied after notice and an opportunity to be
18 heard.

19 If the person so registered states that he operates other
20 places of business from which he engages in the business of
21 selling tangible personal property at retail in this State,
22 the Department shall furnish him with a sub-certificate of
23 registration for each such place of business, and the
24 applicant shall display the appropriate sub-certificate of
25 registration at each such place of business. All
26 sub-certificates of registration shall bear the same

1 registration number as that appearing upon the certificate of
2 registration to which such sub-certificates relate.

3 If the applicant will sell tangible personal property at
4 retail through vending machines, the Department shall furnish
5 him with a sub-certificate of registration for each such
6 vending machine, and the applicant shall display the
7 appropriate sub-certificate of registration on each such
8 vending machine by attaching the sub-certificate of
9 registration to a conspicuous part of such vending machine. If
10 a person who is registered to sell tangible personal property
11 at retail through vending machines adds an additional vending
12 machine or additional vending machines to the number of
13 vending machines he or she uses in his or her business of
14 selling tangible personal property at retail, he or she shall
15 notify the Department, on a form prescribed by the Department,
16 to request an additional sub-certificate or additional
17 sub-certificates of registration, as applicable. With each
18 such request, the applicant shall report the number of
19 sub-certificates of registration he or she is requesting as
20 well as the total number of vending machines from which he or
21 she makes retail sales.

22 Where the same person engages in 2 or more businesses of
23 selling tangible personal property at retail in this State,
24 which businesses are substantially different in character or
25 engaged in under different trade names or engaged in under
26 other substantially dissimilar circumstances (so that it is

1 more practicable, from an accounting, auditing or bookkeeping
2 standpoint, for such businesses to be separately registered),
3 the Department may require or permit such person (subject to
4 the same requirements concerning the furnishing of security as
5 those that are provided for hereinbefore in this Section as to
6 each application for a certificate of registration) to apply
7 for and obtain a separate certificate of registration for each
8 such business or for any of such businesses, under a single
9 certificate of registration supplemented by related
10 sub-certificates of registration.

11 Any person who is registered under the Retailers'
12 Occupation Tax Act as of March 8, 1963, and who, during the
13 3-year period immediately prior to March 8, 1963, or during a
14 continuous 3-year period part of which passed immediately
15 before and the remainder of which passes immediately after
16 March 8, 1963, has been so registered continuously and who is
17 determined by the Department not to have been either
18 delinquent or deficient in the payment of tax liability during
19 that period under this Act or under any other State tax law or
20 municipal or county tax ordinance or resolution under which
21 the certificate of registration that is issued to the
22 registrant under this Act will permit the registrant to engage
23 in business without registering separately under such other
24 law, ordinance or resolution, shall be considered to be a
25 Prior Continuous Compliance taxpayer. Also any taxpayer who
26 has, as verified by the Department, faithfully and

1 continuously complied with the condition of his bond or other
2 security under the provisions of this Act for a period of 3
3 consecutive years shall be considered to be a Prior Continuous
4 Compliance taxpayer.

5 Every Prior Continuous Compliance taxpayer shall be exempt
6 from all requirements under this Act concerning the furnishing
7 of a bond or other security as a condition precedent to his
8 being authorized to engage in the business of selling tangible
9 personal property at retail in this State. This exemption
10 shall continue for each such taxpayer until such time as he may
11 be determined by the Department to be delinquent in the filing
12 of any returns, or is determined by the Department (either
13 through the Department's issuance of a final assessment which
14 has become final under the Act, or by the taxpayer's filing of
15 a return which admits tax that is not paid to be due) to be
16 delinquent or deficient in the paying of any tax under this Act
17 or under any other State tax law or municipal or county tax
18 ordinance or resolution under which the certificate of
19 registration that is issued to the registrant under this Act
20 will permit the registrant to engage in business without
21 registering separately under such other law, ordinance or
22 resolution, at which time that taxpayer shall become subject
23 to all the financial responsibility requirements of this Act
24 and, as a condition of being allowed to continue to engage in
25 the business of selling tangible personal property at retail,
26 may be required to post bond or other acceptable security with

1 the Department covering liability which such taxpayer may
2 thereafter incur. Any taxpayer who fails to pay an admitted or
3 established liability under this Act may also be required to
4 post bond or other acceptable security with this Department
5 guaranteeing the payment of such admitted or established
6 liability.

7 No certificate of registration shall be issued to any
8 person who is in default to the State of Illinois for moneys
9 due under this Act or under any other State tax law or
10 municipal or county tax ordinance or resolution under which
11 the certificate of registration that is issued to the
12 applicant under this Act will permit the applicant to engage
13 in business without registering separately under such other
14 law, ordinance or resolution.

15 Any person aggrieved by any decision of the Department
16 under this Section may, within 20 days after notice of such
17 decision, protest and request a hearing, whereupon the
18 Department shall give notice to such person of the time and
19 place fixed for such hearing and shall hold a hearing in
20 conformity with the provisions of this Act and then issue its
21 final administrative decision in the matter to such person. In
22 the absence of such a protest within 20 days, the Department's
23 decision shall become final without any further determination
24 being made or notice given.

25 With respect to security other than bonds (upon which the
26 Department may sue in the event of a forfeiture), if the

1 taxpayer fails to pay, when due, any amount whose payment such
2 security guarantees, the Department shall, after such
3 liability is admitted by the taxpayer or established by the
4 Department through the issuance of a final assessment that has
5 become final under the law, convert the security which that
6 taxpayer has furnished into money for the State, after first
7 giving the taxpayer at least 10 days' written notice, by
8 registered or certified mail, to pay the liability or forfeit
9 such security to the Department. If the security consists of
10 stocks or bonds or other securities which are listed on a
11 public exchange, the Department shall sell such securities
12 through such public exchange. If the security consists of an
13 irrevocable bank letter of credit, the Department shall
14 convert the security in the manner provided for in the Uniform
15 Commercial Code. If the security consists of a bank
16 certificate of deposit, the Department shall convert the
17 security into money by demanding and collecting the amount of
18 such bank certificate of deposit from the bank which issued
19 such certificate. If the security consists of a type of stocks
20 or other securities which are not listed on a public exchange,
21 the Department shall sell such security to the highest and
22 best bidder after giving at least 10 days' notice of the date,
23 time and place of the intended sale by publication in the
24 "State Official Newspaper". If the Department realizes more
25 than the amount of such liability from the security, plus the
26 expenses incurred by the Department in converting the security

1 into money, the Department shall pay such excess to the
2 taxpayer who furnished such security, and the balance shall be
3 paid into the State Treasury.

4 The Department shall discharge any surety and shall
5 release and return any security deposited, assigned, pledged
6 or otherwise provided to it by a taxpayer under this Section
7 within 30 days after:

8 (1) such taxpayer becomes a Prior Continuous
9 Compliance taxpayer; or

10 (2) such taxpayer has ceased to collect receipts on
11 which he is required to remit tax to the Department, has
12 filed a final tax return, and has paid to the Department an
13 amount sufficient to discharge his remaining tax
14 liability, as determined by the Department, under this Act
15 and under every other State tax law or municipal or county
16 tax ordinance or resolution under which the certificate of
17 registration issued under this Act permits the registrant
18 to engage in business without registering separately under
19 such other law, ordinance or resolution. The Department
20 shall make a final determination of the taxpayer's
21 outstanding tax liability as expeditiously as possible
22 after his final tax return has been filed; if the
23 Department cannot make such final determination within 45
24 days after receiving the final tax return, within such
25 period it shall so notify the taxpayer, stating its
26 reasons therefor.

1 (Source: P.A. 103-319, eff. 1-1-24; 103-592, eff. 1-1-25;
2 104-6, eff. 6-16-25.)

3 (35 ILCS 120/2b) (from Ch. 120, par. 441b)

4 Sec. 2b. The Department may, after notice and a hearing as
5 provided herein, revoke the certificate of registration of any
6 person who violates any of the provisions of this Act. Before
7 revocation of a certificate of registration the Department
8 shall, within 90 days after non-compliance and at least 7 days
9 prior to the date of the hearing, give the person so accused
10 notice in writing of the charge against him or her, and on the
11 date designated shall conduct a hearing upon this matter. The
12 lapse of such 90 day period shall not preclude the Department
13 from conducting revocation proceedings at a later date if
14 necessary. Any hearing held under this Section shall be
15 conducted by the Director of Revenue or by any officer or
16 employee of the Department designated, in writing, by the
17 Director of Revenue.

18 Upon the hearing of any such proceeding, the Director of
19 Revenue, or any officer or employee of the Department
20 designated, in writing, by the Director of Revenue, may
21 administer oaths and the Department may procure by its
22 subpoena the attendance of witnesses and, by its subpoena
23 duces tecum, the production of relevant books and papers. Any
24 circuit court, upon application either of the accused or of
25 the Department, may, by order duly entered, require the

1 attendance of witnesses and the production of relevant books
2 and papers, before the Department in any hearing relating to
3 the revocation of certificates of registration. Upon refusal
4 or neglect to obey the order of the court, the court may compel
5 obedience thereof by proceedings for contempt.

6 The Department may, by application to any circuit court,
7 obtain an injunction restraining any person who engages in the
8 business of selling tangible personal property at retail in
9 this State without a certificate of registration (either
10 because the certificate of registration has been revoked or
11 because of a failure to obtain a certificate of registration
12 in the first instance) from engaging in such business until
13 such person, as if he or she were a new applicant for a
14 certificate of registration, shall comply with all of the
15 conditions, restrictions and requirements of Section 2a of
16 this Act and qualify for and obtain a certificate of
17 registration. Upon refusal or neglect to obey the order of the
18 court, the court may compel obedience thereof by proceedings
19 for contempt.

20 It shall not be a defense in a proceeding before the
21 Department to revoke a certificate of registration issued
22 under the Act, or in any action by the Department to collect
23 any tax due under this Act, that the holder of the certificate
24 is a party to an installment payment agreement under Section
25 2a of this Act if the liability which is the basis of the
26 revocation proceeding, or the tax that is sought to be

1 collected: (1) was incurred after the date of the agreement
2 was approved by the Department; or (2) was incurred prior to
3 the date the agreement was approved by the Department, but was
4 not included in the agreement; or (3) was included in the
5 agreement, but the taxpayer is in default of the agreement.

6 If a person who is licensed as a retailer of alcoholic
7 liquor under the Liquor Control Act of 1934 has had his or her
8 certificate of registration revoked under this Section 2b,
9 then, pursuant to Section 7-6.5 of the Liquor Control Act of
10 1934, the Department shall file a notice with the Liquor
11 Control Commission that includes a certification, signed by
12 its Director of Revenue or his or her designee, attesting that
13 the person's certificate of registration has been revoked,
14 after notice and an opportunity to be heard.

15 (Source: P.A. 86-338; 86-383; 86-1028.)

16 Section 75-10. The Liquor Control Act of 1934 is amended
17 by adding Sections 1-3.49 and 7-6.5 as follows:

18 (235 ILCS 5/1-3.49 new)

19 Sec. 1-3.49. Inactive license. "Inactive license" means a
20 status of licensure in which the licensee holds a current
21 license under this Act, but the licensee is prohibited from
22 engaging in all licensed activities because the licensee does
23 not hold an active certificate of registration issued by the
24 Department of Revenue pursuant to the Retailers' Occupation

1 Tax Act.

2 (235 ILCS 5/7-6.5 new)

3 Sec. 7-6.5. Inactive licenses; certificate of
4 registration. Notwithstanding anything in this Act to the
5 contrary, the Commission shall inactivate the license of any
6 licensee authorized to sell alcoholic liquor at retail if that
7 person's certificate of registration renewal has been denied
8 by the Department of Revenue pursuant to Section 2a of the
9 Retailers' Occupation Tax Act or that person's certificate of
10 registration has been revoked by the Department of Revenue
11 pursuant to Section 2b of the Retailers' Occupation Tax Act
12 until the violation resulting in the nonrenewal or revocation
13 has been remedied and the certificate of registration has been
14 reinstated by the Department of Revenue. The Department of
15 Revenue shall file a notice with the Commission that includes
16 a certification, signed by Director of Revenue or his or her
17 designee, attesting that the person's certificate of
18 registration renewal has been denied or the person's
19 certificate of registration has been revoked after notice and
20 an opportunity to be heard.

21 If a person who is licensed as a retailer of alcoholic
22 liquor under this Act has had the renewal of his or her
23 certificate of registration denied under Section 2a or revoked
24 under Section 2b of the Retailers' Occupation Tax Act, then,
25 pursuant to this Section, distributors licensed under this Act

1 are prohibited from selling alcoholic liquor to that retailer,
2 that retailer is prohibited from purchasing alcoholic liquor
3 from distributors, and all other licensed activities are
4 prohibited pending notification by the Department of Revenue
5 that the nonrenewal or revocation has been resolved to the
6 Department of Revenue's satisfaction.

7 ARTICLE 80

8 Section 80-5. The Cigarette Machine Operators' Occupation
9 Tax Act is amended by changing Sections 1-15, 1-20, 1-40, and
10 1-105 as follows:

11 (35 ILCS 128/1-15)

12 Sec. 1-15. Cigarette machine operator license. No person
13 may engage in the business of operating a cigarette machine in
14 this State on or after August 1, 2012 without first having
15 obtained a license from the Department. Application for a
16 license shall be made to the Department, by electronic means,
17 in ~~on~~ a form ~~furnished and~~ prescribed by the Department. Each
18 applicant for a license under this Section shall furnish ~~the~~
19 ~~following information~~ to the Department in ~~on~~ a form signed
20 and verified by the applicant under penalty of perjury, in an
21 electronic format established by the Department, the
22 following:

23 (1) a statement that the applicant will fully comply

1 with the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003; and

3 (2) the following information:

4 (A) the name and address of the applicant;

5 (B) ~~(2)~~ the address of the location at which the
6 applicant proposes to engage in the business of
7 operating a cigarette machine in this State; and

8 (C) ~~(3)~~ any other additional information the
9 Department may reasonably require by its rules.

10 The ~~annual~~ license fee payable to the Department for the
11 initial and each renewal cigarette machine operator license is
12 \$250. Each applicant for a license shall pay that fee to the
13 Department at the time of submitting an application for
14 license to the Department.

15 Through June 30, 2027, every ~~Every~~ applicant who is
16 required to procure a cigarette machine operator license shall
17 file with his or her application a joint and several bond. Such
18 bond shall be executed to the Department of Revenue, with good
19 and sufficient surety or sureties residing or licensed to do
20 business within the State of Illinois, in the amount of
21 \$2,500, conditioned upon the true and faithful compliance by
22 the licensee with all of the provisions of this Act. Such bond,
23 or a reissue thereof, or a substitute therefor ~~therefore~~,
24 shall be kept in effect during the entire period covered by the
25 license. On and after July 1, 2027, applicants are no longer
26 required to file a bond with their application. The Department

1 shall discharge any surety and shall release and return any
2 bond provided to it by a taxpayer under this Section within 90
3 days after July 1, 2027, provided that the taxpayer is not
4 delinquent or deficient in the payment of tax liability.

5 A separate application for license shall be made and ~~7~~ a
6 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
7 for each place of business at which a person who is required to
8 procure a cigarette machine operator license under this
9 Section proposes to engage in business as a cigarette machine
10 operator in Illinois under this Act.

11 The following are ineligible to receive a cigarette
12 machine operator license under this Act:

13 (1) a person who is not of good character and
14 reputation in the community in which the person ~~he~~
15 resides; the Department may consider prior conviction of a
16 felony, but, except as provided in paragraph (2), the
17 conviction shall not operate as an absolute bar to
18 licensure;

19 (2) a person who has been convicted of a felony under
20 any federal or State law, if the Department, after
21 investigation and consideration of any mitigating factors
22 and evidence of rehabilitation contained in the
23 applicant's record, including those provided in Section 4i
24 of the Cigarette Tax Act, and after a hearing, if
25 requested by the applicant, determines that the ~~such~~
26 person has not been sufficiently rehabilitated to warrant

1 the public trust and the conviction will impair the
2 ability of the person to engage in the position for which a
3 license is sought;

4 (3) a corporation, if any officer, manager, or
5 director thereof, or any stockholder or stockholders
6 owning in the aggregate more than 5% of the stock of such
7 corporation, would not be eligible to receive a license
8 under this Act for any reason; ~~or~~

9 (4) a person who has delinquent reports under Section
10 25 of the Tobacco Products Manufacturers' Escrow
11 Enforcement Act of 2003; or

12 (5) a person, or any person who owns more than 15% of
13 the ownership interests in an entity or a related party,
14 who:

15 (A) owes, at the time of application, any
16 delinquent ~~cigarette taxes or tobacco~~ taxes that have
17 been determined by law to be due and unpaid under this
18 Act or any other tax Act administered by the
19 Department, unless the license applicant has entered
20 into an agreement approved by the Department to pay
21 the amount due;

22 (B) has had a license under this Act, the
23 Cigarette Tax Act, the Cigarette Use Tax Act, or the
24 Tobacco Products Tax Act of 1995 revoked within the
25 past 2 years by the Department for misconduct relating
26 to stolen or contraband cigarettes or has been

1 convicted of a State or federal crime, punishable by
2 imprisonment of one year or more, relating to stolen
3 or contraband cigarettes;

4 (B-5) manufactures cigarettes, whether in this
5 State or outside of this State, and who is neither (i)
6 a participating manufacturer as defined in subsection
7 II(jj) of the "Master Settlement Agreement" as defined
8 in Sections 10 of the Tobacco Product Manufacturers'
9 Escrow Act and the Tobacco Products Manufacturers'
10 Escrow Enforcement Act of 2003; nor (ii) in full
11 compliance with Tobacco Product Manufacturers' Escrow
12 Act and the Tobacco Products Manufacturers' Escrow
13 Enforcement Act of 2003;

14 (C) has been found by the Department, after notice
15 and a hearing, to have imported or caused to be
16 imported into the United States for sale or
17 distribution any cigarette in violation of 19 U.S.C.
18 1681a;

19 (D) has been found by the Department, after notice
20 and a hearing, to have imported or caused to be
21 imported into the United States for sale or
22 distribution, or manufactured for sale or distribution
23 in the United States, any cigarette that does not
24 fully comply with the Federal Cigarette Labeling and
25 Advertising Act (15 U.S.C. 1331, et seq.); or

26 (E) has been found by the Department, after notice

1 and a hearing, to have made a materially ~~material~~
2 false statement in the application or has failed to
3 produce records required to be maintained by this Act.

4 The Department, upon receipt of an application and ~~7~~
5 license fee, ~~and bond~~ in proper form from a person who is
6 eligible to receive a cigarette machine operator license under
7 this Act, shall issue to such applicant a license in a form as
8 prescribed by the Department. That license shall permit the
9 applicant to whom it is issued to engage in business as a
10 cigarette machine operator at the place shown in the ~~his or her~~
11 application. All licenses issued by the Department under this
12 Section shall be valid for a period not to exceed one year
13 after issuance unless sooner revoked, canceled, or suspended
14 as provided in this Act. No license issued under this Section
15 is transferable or assignable. Such license shall be
16 conspicuously displayed in the place of business conducted by
17 the licensee in Illinois under such license. No cigarette
18 machine operator acquires any vested interest or compensable
19 property right in a license issued under this Section ~~Act~~.

20 A cigarette machine operator shall notify the Department
21 of any change in the information contained in ~~on~~ the
22 application form, including any change in ownership, and shall
23 do so within 30 days after that change.

24 Every prior continuous compliance taxpayer shall be exempt
25 from all requirements under this Section concerning the
26 furnishing of bond as a condition precedent to his being

1 authorized to engage in the business licensed under this Act.
2 This exemption shall continue for each prior continuous
3 compliance taxpayer until such time as he may be determined by
4 the Department to be delinquent in the filing of any returns,
5 or is determined by the Department (either through the
6 Department's issuance of a final assessment which has become
7 final under the Act, or by the taxpayer's filing of a return
8 which admits tax to be due that is not paid) to be delinquent
9 or deficient in the paying of any tax under this Act, at which
10 time that taxpayer shall become subject to the bond
11 requirements of this Section and, as a condition of being
12 allowed to continue to engage in the business licensed under
13 this Act, shall be required to furnish bond to the Department
14 in such form as provided in this Section. The taxpayer shall
15 furnish such bond for a period of 2 years, after which, if the
16 taxpayer has not been delinquent in the filing of any returns,
17 or delinquent or deficient in the paying of any tax under this
18 Act, the Department may reinstate that person as a prior
19 continuous ~~continuance~~ compliance taxpayer. Any taxpayer who
20 fails to pay an admitted or established liability under this
21 Act may also be required by the Department to post bond or
22 other acceptable security with the Department guaranteeing the
23 payment of that admitted or established liability.

24 The Department shall discharge any surety and shall
25 release and return any bond or security deposited, assigned,
26 pledged, or otherwise provided to it by a taxpayer under this

1 Section within 30 days after:

2 (1) that taxpayer becomes a prior continuous
3 compliance taxpayer; or

4 (2) that taxpayer has ceased to collect receipts on
5 which the taxpayer ~~he~~ is required to remit tax to the
6 Department, has filed a final tax return, and has paid to
7 the Department an amount sufficient to discharge the ~~his~~
8 remaining tax liability as determined by the Department
9 under this Act. The Department shall make a final
10 determination of the taxpayer's outstanding tax liability
11 as expeditiously as possible after the ~~his~~ final tax
12 return has been filed. If the Department cannot make the
13 final determination within 45 days after receiving the
14 final tax return, it shall so notify the taxpayer within
15 that period, stating its reasons therefor ~~therefore~~.

16 Any person aggrieved by any decision of the Department
17 under this Section may, within 30 ~~20~~ days after ~~receiving~~
18 notice of the decision, protest and request a hearing. Upon
19 receiving a written request for a hearing, the Department
20 shall give notice to the person requesting the hearing of the
21 time and place fixed for the hearing and shall hold a hearing
22 in conformity with the provisions of this Act and then issue
23 its final administrative decision in the matter to that
24 person. In the absence of a protest and request for a hearing
25 within 30 ~~20~~ days, the Department's decision shall become
26 final without any further determination being made or notice

1 given.

2 (Source: P.A. 97-688, eff. 6-14-12.)

3 (35 ILCS 128/1-20)

4 Sec. 1-20. Revocation, cancellation, or suspension of
5 license. The Department may, after notice and hearing as
6 provided for by this Act, revoke, cancel, or suspend the
7 license of any cigarette machine operator for the violation of
8 any provision of this Act, or for noncompliance with the
9 provisions of this Act, or for any noncompliance with any
10 lawful rule ~~or regulation~~ promulgated by the Department under
11 this Act, or because the licensee is determined to be
12 ineligible for a cigarette machine operator's license for any
13 one or more of the reasons provided for in Section 1-15 of this
14 Act.

15 Any cigarette machine operator aggrieved by any decision
16 of the Department under this Section may, within 30 ~~20~~ days
17 after notice of the decision, protest and request a hearing.
18 Upon receiving a written request for a hearing, the Department
19 shall give notice in writing to the cigarette machine operator
20 requesting the hearing that contains a statement of the
21 charges preferred against the cigarette machine operator and
22 that states the time and place fixed for the hearing. The
23 Department shall hold the hearing in conformity with the
24 provisions of this Act and then issue its final administrative
25 decision in the matter to the cigarette machine operator. In

1 the absence of a written protest and request for a hearing
2 within 30 ~~20~~ days, the Department's decision shall become
3 final without any further determination being made or notice
4 given.

5 No license so revoked shall be reissued to any cigarette
6 machine operator for a period of 6 months after the date of the
7 final determination of such revocation. No license shall be
8 reissued at all so long as the person who would receive the
9 license is ineligible to receive a cigarette machine
10 operator's license under this Act for any one or more of the
11 reasons provided for in Section 1-15 of this Act.

12 The Department, upon complaint filed in the circuit court,
13 may, by injunction, restrain any person who fails or refuses
14 to comply with any of the provisions of this Act from acting as
15 a cigarette machine operator in this State.

16 (Source: P.A. 97-688, eff. 6-14-12.)

17 (35 ILCS 128/1-40)

18 Sec. 1-40. Returns.

19 (a) Cigarette machine operators shall file a return and
20 remit the tax imposed by Section 1-10 by the 15th day of each
21 month covering the preceding calendar month. Each such return
22 shall show: the quantity of cigarettes made or fabricated
23 during the period covered by the return; the beginning and
24 ending meter reading for each cigarette machine for the period
25 covered by the return; the quantity of such cigarettes sold or

1 otherwise disposed of during the period covered by the return;
2 the brand family and manufacturer and quantity of tobacco
3 products used to make or fabricate cigarettes by use of a
4 cigarette machine; the license number of each distributor from
5 whom tobacco products are purchased; the type and quantity of
6 cigarette tubes purchased for use in a cigarette machine; the
7 type and quantity of cigarette tubes used in a cigarette
8 machine; and such other information as the Department may
9 require. Information that the Department may reasonably
10 require includes information related to the uniform regulation
11 and taxation of cigarettes. All returns and supporting
12 schedules required to be filed under this Section and all
13 payments required to be made under this Section shall be by
14 electronic means in the form prescribed by the Department.

15 Cigarette machine operators shall send a copy of those
16 returns, together with supporting schedule data, to the
17 Attorney General's Office by the 15th day of each month for the
18 period covering the preceding calendar month.

19 (b) Cigarette machine operators may take a credit against
20 any tax due under Section 1-10 of this Act for taxes imposed
21 and paid under the Tobacco Products Tax Act of 1995 on tobacco
22 products sold to a customer and used in a rolling machine
23 located at the cigarette machine operator's place of business.
24 To be eligible for such credit, the tobacco product must meet
25 the requirements of subsection (a) of Section 1-25 of this
26 Act. This subsection (b) is exempt from the provisions of

1 Section 1-155 of this Act.

2 (c) If any payment provided for in this Section exceeds
3 the cigarette machine operator's liabilities under this Act,
4 as shown on an original return, the cigarette machine operator
5 may credit such excess payment against liability subsequently
6 to be remitted to the Department under this Act, in accordance
7 with reasonable rules adopted by the Department.

8 (Source: P.A. 104-6, eff. 1-1-26.)

9 (35 ILCS 128/1-105)

10 Sec. 1-105. Hearings regarding seized cigarettes and
11 cigarette machines. After seizing any cigarettes or cigarette
12 machines, as provided in Section 1-100 of this Act, the
13 Department shall hold a hearing and shall determine whether
14 such cigarettes, at the time of their seizure by the
15 Department, were contraband cigarettes, or whether such
16 cigarette machines, at the time of their seizure by the
17 Department, contained or made contraband cigarettes. The
18 Department is not required to hold such a hearing if a waiver
19 and consent to forfeiture has been executed by the owner of the
20 property, if the owner is known, and by the person in whose
21 possession the property so taken was found, if that person is
22 known and if that person is not the owner of the property. The
23 Department shall give not less than 7 days' notice of the time
24 and place of such hearing to the owner of such property, if he
25 is known, and also to the person in whose possession the

1 property so taken was found, if such person is known and if
2 such person in possession is not the owner of said property. In
3 case neither the owner nor the person in possession of such
4 property is known, the Department shall cause publication of
5 the time and place of such hearing to be made at least once in
6 each week for 3 weeks successively in a newspaper of general
7 circulation in the county where such hearing is to be held.

8 If, as the result of such hearing, the Department
9 determines that the cigarettes seized were, at the time of
10 seizure, contraband cigarettes, or that any cigarette machine
11 at the time of its seizure contained or made contraband
12 cigarettes, or upon receipt of a properly executed waiver and
13 consent to forfeiture as provided in this Section, the
14 Department shall enter an order declaring such cigarettes or
15 such cigarette machine confiscated and forfeited to the State,
16 and to be held by the Department for disposal as provided in
17 this Section. The Department shall give notice of such order
18 to the owner of such property if he is known, and also to the
19 person in whose possession the property so taken was found, if
20 such person is known, and if such person in possession is not
21 the owner of the property. In case neither the owner nor the
22 person in possession of such property is known, the Department
23 shall cause publication of such order to be made at least once
24 in each week for 3 weeks successively in a newspaper of general
25 circulation in the county where such hearing was held.

26 When any cigarettes or any cigarette machine shall have

1 been declared forfeited to the State by the Department, as
2 provided hereunder, and when all proceedings for the judicial
3 review of the Department's decision have terminated, the
4 Department shall, to the extent that its decision is sustained
5 on review, destroy or maintain and use such property in an
6 undercover capacity.

7 The cost of destruction shall be assessed against the
8 owner of the forfeited property or the person in possession of
9 the forfeited property. Those costs shall be assessed
10 regardless of whether the forfeiture is determined by hearing
11 or waiver.

12 Any person aggrieved by any decision of the Department
13 under this Section may, within 30 days after notice of the
14 decision, protest and request a hearing. Upon receiving a
15 written request for a hearing, the Department shall give
16 notice to the person requesting the hearing of the time and
17 place fixed for the hearing and shall hold a hearing in
18 conformity with the provisions of this Act and then issue its
19 final administrative decision in the matter to that person. In
20 the absence of a protest and request for a hearing within 30
21 days, the Department's decision shall become final without any
22 further determination being made or notice given.

23 (Source: P.A. 97-688, eff. 6-14-12.)

24 Section 80-10. The Cigarette Tax Act is amended by
25 changing Sections 4, 4a, 4b, 4c, 4f, 4g, 4i, 6, and 21 as

1 follows:

2 (35 ILCS 130/4) (from Ch. 120, par. 453.4)

3 Sec. 4. Distributor's license.

4 (a) No person may engage in business as a distributor of
5 cigarettes in this State within the meaning of the first 2
6 definitions of distributor in Section 1 of this Act without
7 first having obtained a license ~~therefor~~ from the Department.
8 Application for license shall be made to the Department, by
9 electronic means, in a form ~~as furnished and~~ prescribed by the
10 Department. Each applicant for a license under this Section
11 shall furnish to the Department in a ~~on the~~ form signed and
12 verified by the applicant under penalty of perjury, in an
13 electronic format established by the Department, the following
14 ~~information~~:

15 (1) a statement that the applicant will fully comply
16 with the Tobacco Products Manufacturers' Escrow
17 Enforcement Act of 2003; and

18 (2) the following information:

19 (A) the ~~(a) The~~ name and address of the applicant;

20 (B) the ~~(b) The~~ address of the location at which
21 the applicant proposes to engage in business as a
22 distributor of cigarettes in this State; and

23 (C) such ~~(c) Such~~ other additional information as
24 the Department may reasonably ~~lawfully~~ require by its
25 rules ~~and regulations~~.

1 The ~~annual~~ license fee payable to the Department for the
2 initial and each renewal distributor's license shall be \$250.
3 The purpose of the initial and renewal ~~such annual~~ license fee
4 is to defray the cost, to the Department, of serializing
5 cigarette tax stamps. Each applicant for license shall pay
6 such fee to the Department at the time of submitting the ~~his~~
7 application for license to the Department.

8 Through June 30, 2027, every ~~Every~~ applicant who is
9 required to procure a distributor's license shall file with
10 his application a joint and several bond. Such bond shall be
11 executed to the Department of Revenue, with good and
12 sufficient surety or sureties residing or licensed to do
13 business within the State of Illinois, in the amount of
14 \$2,500, conditioned upon the true and faithful compliance by
15 the licensee with all of the provisions of this Act. Such bond,
16 or a reissue thereof, or a substitute therefor, shall be kept
17 in effect during the entire period covered by the license. On
18 and after July 1, 2027, applicants are no longer required to
19 file a bond with their application. The Department shall
20 discharge any surety and shall release and return any bond
21 provided to it by a taxpayer under this Section within 90 days
22 after July 1, 2027, provided that the taxpayer is not
23 delinquent or deficient in the payment of tax liability.

24 A separate application for license shall be made and ~~7~~ a
25 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
26 for each place of business at which a person who is required to

1 procure a distributor's license under this Section proposes to
2 engage in business as a distributor in Illinois under this
3 Section Act.

4 (b) The following are ineligible to receive a
5 distributor's license under this Section Act:

6 (1) a person who is not of good character and
7 reputation in the community in which the person ~~he~~
8 resides; the Department may consider prior conviction of a
9 felony, ~~past conviction of a felony~~ but, except as
10 provided in paragraph (2), the conviction shall not
11 operate as an absolute bar to licensure;

12 (2) a person who has been convicted of a felony under
13 any federal ~~Federal~~ or State law, if the Department, after
14 investigation and ~~a hearing and~~ consideration of any
15 mitigating factors and evidence of rehabilitation
16 contained in the applicant's record, including those
17 provided in Section 4i of this Act, and after a hearing, if
18 requested by the applicant, determines that the ~~such~~
19 person has not been sufficiently rehabilitated to warrant
20 the public trust and the conviction will impair the
21 ability of the person to engage in the position for which a
22 license is sought;

23 (3) a corporation, if any officer, manager, or
24 director thereof, or any stockholder or stockholders
25 owning in the aggregate more than 5% of the stock of such
26 corporation, would not be eligible to receive a license

1 under this Act for any reason;

2 (4) a person who has delinquent reports under Section
3 25 of the Tobacco Products Manufacturers' Escrow
4 Enforcement Act of 2003; or

5 (5) a person, or any person who owns more than 15% ~~15~~
6 ~~percent~~ of the ownership interests in a person or a
7 related party who:

8 (A) ~~(a)~~ owes, at the time of application, any
9 delinquent ~~cigarette~~ taxes that have been determined
10 by law to be due and unpaid under this Act or any other
11 tax Act administered by the Department, unless the
12 license applicant has entered into an agreement
13 approved by the Department to pay the amount due;

14 (B) ~~(b)~~ had a license under this Act, the
15 Cigarette Use Tax Act, the Tobacco Products Tax Act of
16 1995, or the Cigarette Machine Operator's Occupation
17 Tax Act revoked within the past 2 ~~two~~ years by the
18 Department for misconduct relating to stolen or
19 contraband cigarettes or has been convicted of a State
20 or federal crime, punishable by imprisonment of one
21 year or more, relating to stolen or contraband
22 cigarettes;

23 (C) ~~(c)~~ manufactures cigarettes, whether in this
24 State or out of this State, and who is neither (i) a
25 participating manufacturer as defined in subsection
26 II(jj) of the "Master Settlement Agreement" as defined

1 in Sections 10 of the Tobacco Product ~~Products~~
2 Manufacturers' Escrow Act and the Tobacco Products
3 Manufacturers' Escrow Enforcement Act of 2003 ~~(30 ILCS~~
4 ~~168/10 and 30 ILCS 167/10)~~; nor (ii) in full
5 compliance with Tobacco Product ~~Products~~
6 Manufacturers' Escrow Act and the Tobacco Products
7 Manufacturers' Escrow Enforcement Act of 2003 ~~(30 ILCS~~
8 ~~168/ and 30 ILCS 167/)~~;

9 (D) ~~(d)~~ has been found by the Department, after
10 notice and a hearing, to have imported or caused to be
11 imported into the United States for sale or
12 distribution any cigarette in violation of 19 U.S.C.
13 1681a;

14 (E) ~~(e)~~ has been found by the Department, after
15 notice and a hearing, to have imported or caused to be
16 imported into the United States for sale or
17 distribution or manufactured for sale or distribution
18 in the United States any cigarette that does not fully
19 comply with the Federal Cigarette Labeling and
20 Advertising Act (15 U.S.C. 1331, et seq.); or

21 (F) ~~(f)~~ has been found by the Department, after
22 notice and a hearing, to have made a materially
23 ~~material~~ false statement in the application or has
24 failed to produce records required to be maintained by
25 this Act.

26 (c) The Department, upon receipt of an application and 7

1 license fee ~~and bond in proper form~~, from a person who is
2 eligible to receive a distributor's license under this
3 Section, Act, shall issue to such applicant a license. That in
4 ~~form as prescribed by the Department, which~~ license shall
5 permit the applicant ~~to which it is issued~~ to engage in
6 business as a distributor at the place shown in the ~~his~~
7 application. All licenses issued by the Department under this
8 Section Act shall be valid for a period not to exceed one year
9 after issuance unless sooner revoked, canceled, or suspended
10 as provided in this Act. No license issued under this Section
11 ~~Act~~ is transferable or assignable. Such license shall be
12 conspicuously displayed in the place of business conducted by
13 the licensee in Illinois under such license. No distributor
14 licensee acquires any vested interest or compensable property
15 right in a license issued under this Section Act.

16 A licensed distributor shall notify the Department of any
17 change in the information contained on the application form,
18 including any change in ownership and shall do so within 30
19 days after any such change.

20 Any person aggrieved by any decision of the Department
21 under this Section may, within 30 ~~20~~ days after notice of the
22 decision, protest and request a hearing. Upon receiving a
23 request for a hearing, the Department shall give notice to the
24 person requesting the hearing of the time and place fixed for
25 the hearing and shall hold a hearing in conformity with the
26 provisions of this Act and then issue its final administrative

1 decision in the matter to that person. In the absence of a
2 protest and request for a hearing within 30 ~~20~~ days, the
3 Department's decision shall become final without any further
4 determination being made or notice given.

5 (Source: P.A. 100-286, eff. 1-1-18.)

6 (35 ILCS 130/4a) (from Ch. 120, par. 453.4a)

7 Sec. 4a. If a distributor shall be convicted of the
8 violation of any of the provisions of this Act, or if the
9 distributor's ~~his or her~~ license shall be revoked and no
10 review is had of the order or revocation, or if on review
11 thereof the decision is adverse to the distributor, or if a
12 distributor fails to pay an assessment as to which no judicial
13 review is sought and which has become final, or pursuant to
14 which, upon review thereof, the circuit court has entered a
15 judgment that is in favor of the Department and that has become
16 final, the bond filed pursuant to this Act shall thereupon be
17 forfeited, and the Department may institute a suit upon such
18 bond in its own name for the entire amount of such bond and
19 costs. Such suit upon the bond shall be in addition to any
20 other remedy provided for herein.

21 This Section is repealed on January 1, 2028.

22 (Source: P.A. 96-1027, eff. 7-12-10.)

23 (35 ILCS 130/4b) (from Ch. 120, par. 453.4b)

24 Sec. 4b. Distributor's permit.

1 (a) Cigarettes in original packages contained inside a
2 sealed transparent wrapper.

3 (1) The Department may, in its discretion, upon
4 application, issue permits authorizing the payment of the
5 tax herein imposed by out-of-State cigarette manufacturers
6 who are not required to be licensed as distributors of
7 cigarettes in this State, but who elect to qualify under
8 this subsection ~~Act~~ as distributors of cigarettes in this
9 State, and who, to the satisfaction of the Department,
10 furnish adequate security to insure payment of the tax,
11 provided that any such permit shall extend only to
12 cigarettes which such permittee manufacturer places in
13 original packages that are contained inside a sealed
14 transparent wrapper. Application for a permit shall be
15 made to the Department, by electronic means, in a form
16 prescribed by the Department. ~~Such permits shall be issued~~
17 ~~without charge in such form as the Department may~~
18 ~~prescribe and shall not be transferable or assignable.~~

19 (2) Each applicant for a permit under this subsection
20 shall furnish to the Department in a form signed and
21 verified by the applicant under penalty of perjury, in an
22 electronic format established by the Department, the
23 following:

24 (A) a statement that the applicant will fully
25 comply with the Tobacco Products Manufacturers' Escrow
26 Enforcement Act of 2003; and

1 (B) the following information:

2 (i) the name and address of the applicant;

3 (ii) the address of the location at which the
4 applicant proposes to engage in business; and

5 (iii) such other additional information as the
6 Department may reasonably require by its rules.

7 (3) The following are ineligible to receive a
8 distributor's permit under this subsection:

9 (A) ~~(1)~~ a person who is not of good character and
10 reputation in the community in which the person ~~he~~
11 resides; the Department may consider prior conviction
12 of a felony, ~~past conviction of a felony~~ but, except as
13 provided in paragraph (B), the conviction shall not
14 operate as an absolute bar to receiving a permit;

15 (B) ~~(2)~~ a person who has been convicted of a felony
16 under any federal ~~Federal~~ or State law, if the
17 Department, after investigation and ~~a hearing and~~
18 consideration of any mitigating factors and evidence
19 of rehabilitation contained in the applicant's record,
20 including those in Section 4i of this Act, and after a
21 hearing, if requested by the applicant, determines
22 that such person has not been sufficiently
23 rehabilitated to warrant the public trust and the
24 conviction will impair the ability of the person to
25 engage in the position for which a permit is sought;

26 (C) ~~(3)~~ a corporation, if any officer, manager or

1 director thereof, or any stockholder or stockholders
2 owning in the aggregate more than 5% of the stock of
3 such corporation, would not be eligible to receive a
4 permit under this Act for any reason.

5 (D) a person who has delinquent reports under
6 Section 25 of the Tobacco Products Manufacturers'
7 Escrow Enforcement Act of 2003; or

8 (E) a person, or any person who owns more than 15%
9 of the ownership interests in a person or a related
10 party, who:

11 (i) owes, at the time of application, any
12 delinquent taxes that have been determined by law
13 to be due and unpaid under this Act or any other
14 tax Act administered by the Department, unless the
15 applicant has entered into an agreement approved
16 by the Department to pay the amount due;

17 (ii) had a license under this Act, the
18 Cigarette Use Tax Act, the Tobacco Products Tax
19 Act of 1995, or the Cigarette Machine Operator's
20 Occupation Tax Act revoked within the past 2 years
21 by the Department for misconduct relating to
22 stolen or contraband cigarettes or has been
23 convicted of a State or federal crime, punishable
24 by imprisonment of one year or more, relating to
25 stolen or contraband cigarettes;

26 (iii) manufactures cigarettes, whether in this

1 State or out of this State, and who is neither (a)
2 a participating manufacturer as defined in
3 subsection II(jj) of the "Master Settlement
4 Agreement" as defined in Sections 10 of the
5 Tobacco Product Manufacturers' Escrow Act and the
6 Tobacco Products Manufacturers' Escrow Enforcement
7 Act of 2003; nor (b) in full compliance with
8 Tobacco Product Manufacturers' Escrow Act and the
9 Tobacco Products Manufacturers' Escrow Enforcement
10 Act of 2003;

11 (iv) has been found by the Department, after
12 notice and a hearing, to have imported or caused
13 to be imported into the United States for sale or
14 distribution any cigarette in violation of 19
15 U.S.C. 1681a;

16 (v) has been found by the Department, after
17 notice and a hearing, to have imported or caused
18 to be imported into the United States for sale or
19 distribution or manufactured for sale or
20 distribution in the United States any cigarette
21 that does not fully comply with the Federal
22 Cigarette Labeling and Advertising Act (15 U.S.C.
23 1331, et seq.); or

24 (vi) has been found by the Department, after
25 notice and a hearing, to have made a materially
26 false statement in the application or has failed

1 to produce records required to be maintained by
2 this Act.

3 (4) There is no application fee for the initial and
4 renewal permits. A permittee shall notify the Department
5 of any change in the information contained on the
6 application form, including any change in ownership and
7 shall do so within 30 days after the change. The permit
8 shall not be transferable or assignable. A permittee does
9 not acquire any vested interest or compensable property
10 right in a permit issued under this subsection.

11 (5) Any person aggrieved by any decision of the
12 Department under this subsection may, within 30 days after
13 notice of the decision, protest and request a hearing.
14 Upon receiving a request for a hearing, the Department
15 shall give notice to the person requesting the hearing of
16 the time and place fixed for the hearing and shall hold a
17 hearing in conformity with the provisions of this Act and
18 then issue its final administrative decision in the matter
19 to that person. In the absence of a protest and request for
20 a hearing within 30 days, the Department's decision shall
21 become final without any further determination being made
22 or notice given.

23 (6) With respect to cigarettes which come within the
24 scope of such a permit and which any such permittee
25 delivers or causes to be delivered in Illinois to licensed
26 distributors, such permittee shall remit the tax imposed

1 by this Act at the times provided for in Section 3 of this
2 Act. Each such remittance shall be accompanied by a return
3 filed with the Department ~~in on~~ a form ~~to be~~ prescribed ~~and~~
4 ~~furnished~~ by the Department and shall disclose such
5 information as the Department may lawfully require.
6 Information that the Department may lawfully require
7 includes information related to the uniform regulation and
8 taxation of cigarettes. All returns and supporting
9 schedules required to be filed under this subsection
10 ~~Section~~ and all payments required to be made under this
11 subsection ~~Section~~ shall be by electronic means in the
12 form prescribed by the Department. Each such return shall
13 be accompanied by a copy of each invoice rendered by the
14 permittee to any licensed distributor to whom the
15 permittee delivered cigarettes of the type covered by the
16 permit (or caused cigarettes of the type covered by the
17 permit to be delivered) in Illinois during the period
18 covered by such return.

19 (7) Such permit may be suspended, canceled, or revoked
20 when, at any time, the Department considers that the
21 security given is inadequate, or that such tax can more
22 effectively be collected from distributors located in this
23 State, or whenever the permittee violates any provision of
24 this Act or any lawful rule ~~or regulation~~ issued by the
25 Department pursuant to this Act or is determined to be
26 ineligible for a distributor's permit under this Act as

1 provided in this subsection ~~Section~~, whenever the
2 permittee shall notify the Department in writing ~~of his~~
3 ~~desire~~ to have the permit canceled. The Department shall
4 have the power, in its discretion, to issue a new permit
5 after such suspension, cancellation or revocation, except
6 when the person who would receive the permit is ineligible
7 to receive a distributor's permit under this Act.

8 (8) All permits issued by the Department under this
9 subsection ~~Act~~ shall be valid for a period not to exceed
10 one year after issuance unless sooner revoked, canceled,
11 or suspended as provided in this Act ~~provided~~.

12 (b) Unstamped original packages of cigarettes for
13 distribution to the public for promotional purposes without
14 consideration.

15 (1) Out-of-state cigarette manufacturers who are not
16 required to be licensed as distributors of cigarettes in
17 this State and who do not elect to obtain approval under
18 subsection 4b(a) to pay the tax imposed by this Act, but
19 who elect to qualify under this subsection ~~Act~~ as
20 distributors of cigarettes in this State for purposes of
21 shipping and delivering unstamped original packages of
22 cigarettes into this State to licensed distributors, shall
23 obtain a permit from the Department. Application for a
24 permit shall be made to the Department, by electronic
25 means, in a form prescribed by the Department. ~~These~~
26 ~~permits shall be issued without charge in such form as the~~

1 ~~Department may prescribe and shall not be transferable or~~
2 ~~assignable.~~

3 (2) Each applicant for a permit under this subsection
4 shall furnish to the Department in a form signed and
5 verified by the applicant under penalty of perjury, in an
6 electronic format established by the Department, the
7 following:

8 (A) a statement that the applicant will fully
9 comply with the Tobacco Products Manufacturers' Escrow
10 Enforcement Act of 2003; and

11 (B) the following information:

12 (i) the name and address of the applicant;

13 (ii) the address of the location at which the
14 applicant proposes to engage in business; and

15 (iii) such other additional information as the
16 Department may reasonably require by its rules.

17 (3) The following are ineligible to receive a
18 distributor's permit under this subsection:

19 (A) ~~(1)~~ a person who is not of good character and
20 reputation in the community in which the person ~~he or~~
21 ~~she~~ resides; the Department may consider prior
22 conviction of a felony, ~~past conviction of a felony~~
23 but, except as provided in paragraph (B), the
24 conviction shall not operate as an absolute bar to
25 receiving a permit;

26 (B) ~~(2)~~ a person who has been convicted of a felony

1 under any federal or State law, if the Department,
2 after investigation ~~and a hearing~~ and consideration of
3 any mitigating factors and evidence of rehabilitation
4 contained in the applicant's record, including those
5 set forth in Section 4i of this Act, and a hearing, if
6 requested by the applicant, determines that the person
7 has not been sufficiently rehabilitated to warrant the
8 public trust and the conviction will impair the
9 ability of the person to engage in the position for
10 which a permit is sought; ~~and~~

11 (C) ~~(3)~~ a corporation, if any officer, manager, or
12 director thereof, or any stockholder or stockholders
13 owning in the aggregate more than 5% of the stock of
14 the corporation, would not be eligible to receive a
15 permit under this Act for any reason;~~;~~

16 (D) a person who has delinquent reports under
17 Section 25 of the Tobacco Products Manufacturers'
18 Escrow Enforcement Act of 2003; or

19 (E) a person, or any person who owns more than 15%
20 of the ownership interests in a person or a related
21 party who:

22 (i) owes, at the time of application, any
23 delinquent taxes that have been determined by law
24 to be due and unpaid under this Act or any other
25 tax Act administered by the Department, unless the
26 applicant has entered into an agreement approved

1 by the Department to pay the amount due;

2 (ii) had a license under this Act, the
3 Cigarette Use Tax Act, the Tobacco Products Tax
4 Act of 1995, or the Cigarette Machine Operator's
5 Occupation Tax Act revoked within the past 2 years
6 by the Department for misconduct relating to
7 stolen or contraband cigarettes or has been
8 convicted of a State or federal crime, punishable
9 by imprisonment of one year or more, relating to
10 stolen or contraband cigarettes;

11 (iii) manufactures cigarettes, whether in this
12 State or out of this State, and who is neither (a)
13 a participating manufacturer as defined in
14 subsection II(jj) of the "Master Settlement
15 Agreement" as defined in Sections 10 of the
16 Tobacco Product Manufacturers' Escrow Act and the
17 Tobacco Products Manufacturers' Escrow Enforcement
18 Act of 2003; nor (b) in full compliance with
19 Tobacco Product Manufacturers' Escrow Act and the
20 Tobacco Products Manufacturers' Escrow Enforcement
21 Act of 2003;

22 (iv) has been found by the Department, after
23 notice and a hearing, to have imported or caused
24 to be imported into the United States for sale or
25 distribution any cigarette in violation of 19
26 U.S.C. 1681a;

1 (v) has been found by the Department, after
2 notice and a hearing, to have imported or caused
3 to be imported into the United States for sale or
4 distribution or manufactured for sale or
5 distribution in the United States any cigarette
6 that does not fully comply with the Federal
7 Cigarette Labeling and Advertising Act (15 U.S.C.
8 1331, et seq.); or

9 (vi) has been found by the Department, after
10 notice and a hearing, to have made a materially
11 false statement in the application or has failed
12 to produce records required to be maintained by
13 this Act.

14 (4) There is no application fee for the initial and
15 renewal permits. A permittee shall notify the Department
16 of any change in the information contained on the
17 application form, including any change in ownership and
18 shall do so within 30 days after any such change. Such
19 permit shall not be transferable or assignable. A
20 permittee does not acquire any vested interest or
21 compensable property right in a permit issued under this
22 subsection.

23 (5) Any person aggrieved by any decision of the
24 Department under this subsection may, within 30 days after
25 notice of the decision, protest and request a hearing.
26 Upon receiving a request for a hearing, the Department

1 shall give notice to the person requesting the hearing of
2 the time and place fixed for the hearing and shall hold a
3 hearing in conformity with the provisions of this Act and
4 then issue its final administrative decision in the matter
5 to that person. In the absence of a protest and request for
6 a hearing within 30 days, the Department's decision shall
7 become final without any further determination being made
8 or notice given.

9 (6) With respect to original packages of cigarettes
10 that such permittee delivers or causes to be delivered in
11 Illinois and distributes to the public for promotional
12 purposes without consideration, the permittee shall pay
13 the tax imposed by this Act by remitting the amount
14 thereof to the Department by the 5th day of each month
15 covering cigarettes shipped or otherwise delivered in
16 Illinois for those purposes during the preceding calendar
17 month. The permittee, before delivering those cigarettes
18 or causing those cigarettes to be delivered in this State,
19 shall evidence the permittee's ~~his or her~~ obligation to
20 remit the taxes due with respect to those cigarettes by
21 imprinting language to be prescribed by the Department on
22 each original package of cigarettes, in such place thereon
23 and in such manner also to be prescribed by the
24 Department. The imprinted language shall acknowledge the
25 permittee's payment of or liability for the tax imposed by
26 this Act with respect to the distribution of those

1 cigarettes.

2 (7) With respect to cigarettes that the permittee
3 delivers or causes to be delivered in Illinois to Illinois
4 licensed distributors or distributed to the public for
5 promotional purposes, the permittee shall, by the 5th day
6 of each month, file with the Department, a report covering
7 cigarettes shipped or otherwise delivered in Illinois to
8 licensed distributors or distributed to the public for
9 promotional purposes during the preceding calendar month
10 in ~~on~~ a form ~~to be~~ prescribed ~~and furnished~~ by the
11 Department and shall disclose such other information as
12 the Department may lawfully require. Information that the
13 Department may lawfully require includes information
14 related to the uniform regulation and taxation of
15 cigarettes. All reports and supporting schedules required
16 to be filed under this subsection ~~Section~~ shall be filed
17 electronically in the form prescribed by the Department.
18 Each such report shall be accompanied by a copy of each
19 invoice rendered by the permittee to any purchaser to whom
20 the permittee delivered cigarettes of the type covered by
21 the permit (or caused cigarettes of the type covered by
22 the permit to be delivered) in Illinois during the period
23 covered by such report.

24 (8) Such permit may be suspended, canceled, or revoked
25 whenever the permittee violates any provision of this Act
26 or any lawful rule ~~or regulation~~ issued by the Department

1 pursuant to this Act, is determined to be ineligible for a
2 distributor's permit under this Act as provided in this
3 subsection ~~Section~~, or notifies the Department in writing
4 ~~of his or her desire~~ to have the permit canceled. The
5 Department shall have the power, in its discretion, to
6 issue a new permit after such suspension, cancellation, or
7 revocation, except when the person who would receive the
8 permit is ineligible to receive a distributor's permit
9 under this Act.

10 (9) All permits issued by the Department under this
11 subsection ~~Act~~ shall be valid for a period not to exceed
12 one year after issuance unless sooner revoked, canceled,
13 or suspended as provided in this Act.

14 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

15 (35 ILCS 130/4c)

16 Sec. 4c. Secondary distributor's license.

17 (a) No person may engage in business as a secondary
18 distributor of cigarettes in this State without first having
19 obtained a license ~~therefor~~ from the Department. Application
20 for license shall be made to the Department, by electronic
21 means, in ~~on~~ a form ~~as furnished and~~ prescribed by the
22 Department. Each applicant for a license under this Section
23 shall furnish ~~the following information~~ to the Department in
24 ~~on~~ a form signed and verified by the applicant under penalty of
25 perjury, in an electronic format established by the

1 Department, the following:

2 (1) a statement that the applicant will fully comply
3 with the Tobacco Products Manufacturers' Escrow
4 Enforcement Act of 2003; and

5 (2) the following information:

6 (A) the name and address of the applicant;

7 (B) ~~(2)~~ the address of the location at which the
8 applicant proposes to engage in business as a
9 secondary distributor of cigarettes in this State; ~~and~~

10 (C) ~~(3)~~ such other additional information as the
11 Department may reasonably require by its rule.

12 The ~~annual~~ license fee payable to the Department for the
13 initial and each renewal secondary distributor's license shall
14 be \$250. Each applicant for a license shall pay such fee to the
15 Department at the time of submitting an application for
16 license to the Department.

17 A separate application for license shall be made and
18 separate ~~annual~~ license fee paid for each place of business at
19 which a person who is required to procure a secondary
20 distributor's license under this Section proposes to engage in
21 business as a secondary distributor in Illinois under this
22 Act.

23 (b) The following are ineligible to receive a secondary
24 distributor's license under this Section ~~Act~~:

25 (1) a person who is not of good character and
26 reputation in the community in which the person ~~he~~

1 resides; the Department may consider prior ~~past~~ conviction
2 of a felony but, except as provided in paragraph (2), the
3 conviction shall not operate as an absolute bar to
4 licensure ~~receiving a license~~;

5 (2) a person who has been convicted of a felony under
6 any federal or State law, if the Department, after
7 investigation and ~~a hearing and~~ consideration of any the
8 mitigating factors and evidence of rehabilitation
9 contained in the applicant's record, including those
10 provided in subsection (b) of Section 4i of this Act, and
11 hearing, if requested by the applicant, determines that
12 such person has not been sufficiently rehabilitated to
13 warrant the public trust and the conviction will impair
14 the ability of the person to engage in the position for
15 which a license is sought;

16 (3) a corporation, if any officer, manager, or
17 director thereof, or any stockholder or stockholders
18 owning in the aggregate more than 5% of the stock of such
19 corporation, would not be eligible to receive a license
20 under this Act for any reason;

21 (4) a person who manufactures cigarettes, whether in
22 this State or out of this State, and who is neither (i) a
23 participating manufacturer as defined in subsection II(jj)
24 of the "Master Settlement Agreement" as defined in
25 Sections 10 of the Tobacco Product Manufacturers' Escrow
26 Act and the Tobacco Products Manufacturers' Escrow

1 Enforcement Act of 2003; nor (ii) in full compliance with
2 Tobacco Product Manufacturers' Escrow Act and the Tobacco
3 Products Manufacturers' Escrow Enforcement Act of 2003;

4 (5) a person who has delinquent reports under Section
5 25 of the Tobacco Products Manufacturers' Escrow
6 Enforcement Act of 2003; or

7 (6) a person, or any person who owns more than 15% of
8 the ownership interests in a person or a related party
9 who:

10 (A) owes, at the time of application, any
11 delinquent ~~cigarette~~ taxes that have been determined
12 by law to be due and unpaid under this Act or any other
13 tax Act administered by the Department, unless the
14 license applicant has entered into an agreement
15 approved by the Department to pay the amount due;

16 (B) had a license under this Act, the Cigarette
17 Use Tax Act, the Tobacco Products Tax Act of 1995, or
18 the Cigarette Machine Operator's Occupation Tax Act
19 revoked within the past 2 ~~two~~ years by the Department
20 for misconduct relating to stolen or contraband
21 cigarettes or has been convicted of a State or federal
22 crime, punishable by imprisonment of one year or more,
23 relating to stolen or contraband cigarettes;

24 (C) has been found by the Department, after notice
25 and a hearing, to have imported or caused to be
26 imported into the United States for sale or

1 distribution any cigarette in violation of 19 U.S.C.
2 1681a;

3 (D) has been found by the Department, after notice
4 and a hearing, to have imported or caused to be
5 imported into the United States for sale or
6 distribution or manufactured for sale or distribution
7 in the United States any cigarette that does not fully
8 comply with the Federal Cigarette Labeling and
9 Advertising Act (15 U.S.C. 1331, et seq.); or

10 (E) has been found by the Department, after notice
11 and a hearing, to have made a materially ~~material~~
12 false statement in the application or has failed to
13 produce records required to be maintained by this Act.

14 The Department, upon receipt of an application and license
15 fee from a person who is eligible to receive a secondary
16 distributor's license under this Section ~~Act~~, shall issue to
17 such applicant a license in such form as prescribed by the
18 Department. The license shall permit the applicant to which it
19 is issued to engage in business as a secondary distributor at
20 the place shown in the ~~his~~ application. All licenses issued by
21 the Department under this Section ~~Act~~ shall be valid for a
22 period not to exceed one year after issuance unless sooner
23 revoked, canceled, or suspended as provided in this Act.

24 No license issued under this Section ~~Act~~ is transferable
25 or assignable. Such license shall be conspicuously displayed
26 in the place of business conducted by the licensee in Illinois

1 under such license. No secondary distributor licensee acquires
2 any vested interest or compensable property right in a license
3 issued under this Act.

4 A licensed secondary distributor shall notify the
5 Department of any change in the information contained on the
6 application form, including any change in ownership, and shall
7 do so within 30 days after any such change.

8 Any person aggrieved by any decision of the Department
9 under this Section may, within 30 ~~20~~ days after notice of the
10 decision, protest and request a hearing. Upon receiving a
11 request for a hearing, the Department shall give notice to the
12 person requesting the hearing of the time and place fixed for
13 the hearing and shall hold a hearing in conformity with the
14 provisions of this Act and then issue its final administrative
15 decision in the matter to that person. In the absence of a
16 protest and request for a hearing within 30 ~~20~~ days, the
17 Department's decision shall become final without any further
18 determination being made or notice given.

19 (Source: P.A. 100-286, eff. 1-1-18.)

20 (35 ILCS 130/4f)

21 Sec. 4f. Manufacturer representatives.

22 (a) No manufacturer may market cigarettes produced by the
23 manufacturer directly to retailers in this State issued a
24 license under Section 4g of this Act without first having
25 obtained authorization from the Department. Application for

1 authority to maintain representatives in this State to market
2 in this State cigarettes produced by the manufacturer shall be
3 made to the Department, by electronic means, in ~~on~~ a form
4 ~~furnished and~~ prescribed by the Department. Each applicant
5 under this Section shall furnish ~~the following information~~ to
6 the Department in ~~on~~ a form signed and verified by the
7 applicant under penalty of perjury, in an electronic format
8 established by the Department, the following:

9 (1) a statement that the applicant will fully comply
10 with the Tobacco Products Manufacturers' Escrow
11 Enforcement Act of 2003; and

12 (2) the following information:

13 (A) the name and address of the applicant;

14 (B) ~~(2)~~ the address of every location from which
15 the applicant proposes to engage in business in this
16 State;

17 (C) ~~(3)~~ the number of manufacturer representatives
18 the applicant requests to maintain in this State; and

19 (D) such ~~(4) any~~ other additional information as
20 the Department may reasonably require by its rule.

21 (a-5) The following manufacturers are ineligible to
22 receive authorization to maintain manufacturer representatives
23 in this State:

24 (1) a manufacturer who owes, at the time of
25 application, any delinquent ~~cigarette~~ taxes that have been
26 determined by law to be due and unpaid under this Act or

1 any other tax Act administered by the Department, unless
2 the applicant has entered into an agreement approved by
3 the Department to pay the amount due;

4 (2) a manufacturer who has had a license revoked
5 within the past 2 years for misconduct relating to stolen
6 or contraband cigarettes or has been convicted of a state
7 or federal crime, punishable by imprisonment of one year
8 or more, relating to stolen or contraband cigarettes;

9 (3) a manufacturer who manufactures cigarettes,
10 whether in this State or out of this State, and who is
11 neither (i) a participating manufacturer as defined in
12 subsection II(jj) of the "Master Settlement Agreement" as
13 defined in Sections 10 of the Tobacco Product
14 Manufacturers' Escrow Act and the Tobacco Products
15 Manufacturers' Escrow Enforcement Act of 2003; nor (ii) in
16 full compliance with Tobacco Product Manufacturers' Escrow
17 Act and the Tobacco Products Manufacturers' Escrow
18 Enforcement Act of 2003;

19 (3.5) a manufacturer who has been found, after notice
20 and a hearing, to have imported or caused to be imported
21 into the United States for sale or distribution any
22 cigarette in violation of 19 U.S.C. 1681a;

23 (4) a manufacturer who has been found, after notice
24 and a hearing, to have imported or caused to be imported
25 into the United States for sale or distribution or
26 manufactured for sale or distribution in the United States

1 any cigarette that does not fully comply with the Federal
2 Cigarette Labeling and Advertising Act (15 U.S.C. 1331, et
3 seq.);

4 (5) a manufacturer who has been found, after notice
5 and a hearing, to have made a materially ~~material~~ false
6 statement in an application or has failed to produce
7 records required to be maintained by this Act;

8 (6) a manufacturer who has been found, after notice
9 and hearing, to have violated any Section of this Act; ~~or~~

10 (7) a manufacturer licensed as a distributor under
11 Section 4 of this Act or holding a permit under Section 4b
12 of this Act; or

13 (8) a manufacturer who has delinquent reports under
14 Section 25 of the Tobacco Products Manufacturers' Escrow
15 Enforcement Act of 2003.

16 The Department, upon receipt of an application from a
17 manufacturer who is eligible to maintain manufacturer
18 representatives in this State, shall notify the applicant in
19 writing, not more than 60 days after an application has been
20 received, that the applicant may or may not maintain the
21 requested number of manufacturer representatives in this
22 State. A copy of the notice authorizing a manufacturer to
23 maintain manufacturer representatives in this State shall be
24 available for inspection by the Department at each place of
25 business identified in the application and in the motor
26 vehicle operated by marketing representatives in the course of

1 performing their ~~his or her~~ duties in this State on behalf of
2 the manufacturer.

3 A manufacturer representative shall notify the Department
4 of any change in the information contained on the application
5 form and shall do so within 30 days after any such change.

6 (b) Only directors, officers, and employees of the
7 manufacturer may act as manufacturer representatives in this
8 State. The manufacturer shall provide to the Department the
9 names and addresses of the manufacturer representatives
10 operating in this State and the make, model, and license plate
11 number of each motor vehicle operated by a manufacturer
12 representative in the course of performing their ~~his or her~~
13 duties in this State on behalf of the manufacturer. The
14 following individuals may not act as manufacturer
15 representatives:

16 (1) an individual who is not of good character and
17 reputation in the community in which the individual
18 resides; the Department may consider prior conviction of a
19 felony, but the conviction shall not operate as an
20 absolute bar to licensure;

21 (1.5) an individual who owes any delinquent cigarette
22 taxes that have been determined by law to be due and unpaid
23 under this Act or any other tax Act administered by the
24 Department, unless the individual has entered into an
25 agreement approved by the Department to pay the amount
26 due;

1 (2) an individual who has had a license under this
2 Act, the Cigarette Use Tax Act, the Tobacco Products Tax
3 Act of 1995, or the Cigarette Machine Operator's
4 Occupation Tax Act revoked within the past 2 years for
5 misconduct relating to stolen or contraband cigarettes or
6 has been convicted of a state or federal crime, punishable
7 by imprisonment of one year or more, relating to stolen or
8 contraband cigarettes;

9 (3) an individual who has been found, after notice and
10 a hearing, to have made a materially ~~material~~ false
11 statement in an application or has failed to produce
12 records required to be maintained by this Act; or

13 (4) an individual who has been found, after notice and
14 hearing, to have violated any Section of this Act.

15 (c) Manufacturer representatives may sell to retailers in
16 this State who are licensed under Section 4g of this Act only
17 original packages of cigarettes made, manufactured, or
18 fabricated by the manufacturer and purchased or obtained from
19 a distributor licensed under this Act, or the Cigarette ~~Tax~~
20 Use Tax Act, and on which tax stamps have been affixed.
21 Manufacturer representatives may sell up to 600 stamped
22 original packages of cigarettes in a calendar year, for the
23 purpose of promoting the manufacturer's brands of cigarettes.
24 A manufacturer representative may not possess more than 500
25 stamped original packages of cigarettes made, manufactured, or
26 fabricated by the manufacturer and purchased or obtained from

1 a distributor licensed under this Act or the Cigarette Use Tax
2 Act. Any original packages of cigarettes in the possession of
3 a manufacturer representative that (i) are not made,
4 manufactured, or fabricated by the manufacturer and purchased
5 or obtained from a distributor licensed under this Act or the
6 Cigarette Use Tax Act, other than cigarettes for personal use
7 and consumption, (ii) exceed the maximum quantity of 500
8 original packages of cigarettes, excluding packages of
9 cigarettes for personal use and consumption; (iii) violate
10 Section 3-10 of this Act; or (iv) do not have the proper tax
11 stamps affixed, are contraband and subject to seizure and
12 forfeiture.

13 Manufacturer representatives may sell, on behalf of
14 licensed distributors, stamped original packages of cigarettes
15 to retailers who are licensed under Section 4g of this Act. The
16 manufacturer representative shall provide the distributor with
17 a signed receipt for the cigarettes obtained from the
18 distributor. The distributor shall invoice the licensed
19 retailer, and the licensed retailer shall pay the distributor
20 for all cigarettes provided to licensed retailers by
21 manufacturer representatives on behalf of a distributor.

22 Manufacturer representatives may sell stamped original
23 packages of cigarettes to licensed retailers that are
24 purchased from licensed distributors. Distributors shall
25 provide manufacturer representatives with invoices for stamped
26 original packages of cigarettes sold to manufacturer

1 representatives. Manufacturer representatives shall invoice
2 licensed retailers, and the licensed retailers shall pay the
3 manufacturer representatives for all original packages of
4 cigarettes sold to licensed retailers.

5 (d) Authorizations issued under this Section shall be
6 valid for a period not to exceed one year after issuance, and
7 may be renewed thereafter, unless sooner revoked, canceled, or
8 suspended as provided in this Act. There is no application fee
9 for the initial and renewal authorization under this Section.
10 Such authorization shall not be transferable or assignable. A
11 person does not acquire any vested interest or compensable
12 property right in an authorization issued under this Section.

13 Any person aggrieved by any decision of the Department
14 under this Section may, within 30 ~~20~~ days after notice of the
15 decision, protest and request a hearing. Upon receiving a
16 request for a hearing, the Department shall give notice to the
17 person requesting the hearing of the time and place fixed for
18 the hearing and shall hold a hearing in conformity with the
19 provisions of this Act and then issue its final administrative
20 decision in the matter to that person. In the absence of a
21 protest and request for a hearing within 30 ~~20~~ days, the
22 Department's decision shall become final without any further
23 determination being made or notice given.

24 (Source: P.A. 97-587, eff. 8-26-11; 98-1055, eff. 1-1-16.)

1 Sec. 4g. Retailer's license.

2 (a) Beginning on January 1, 2016, no person may engage in
3 business as a retailer of cigarettes in this State without
4 first having obtained a license from the Department.
5 Application for license shall be made to the Department, by
6 electronic means, in a form prescribed by the Department. Each
7 applicant for a license under this Section shall furnish to
8 the Department in a form signed and verified by the applicant
9 under penalty of perjury, in an electronic format established
10 by the Department, the following information:

11 (1) the name and address of the applicant;

12 (2) the address of the location at which the applicant
13 proposes to engage in business as a retailer of cigarettes
14 in this State; and

15 (3) such other additional information as the
16 Department may lawfully require by its rules ~~and~~
17 ~~regulations~~.

18 The annual license fee payable to the Department for each
19 retailer's license shall be \$75. The fee shall be deposited
20 into the Tax Compliance and Administration Fund and shall be
21 for the cost of tobacco retail inspection and contraband
22 tobacco and tobacco smuggling with at least two-thirds of the
23 money being used for contraband tobacco and tobacco smuggling
24 operations and enforcement.

25 Each applicant for a license shall pay the fee to the
26 Department at the time of submitting its application for a

1 license to the Department. The Department shall require an
2 applicant for a license under this Section to electronically
3 file and pay the fee.

4 A separate annual license fee shall be paid for each place
5 of business at which a person who is required to procure a
6 retailer's license under this Section proposes to engage in
7 business as a retailer in Illinois under this Act.

8 (b) The following are ineligible to receive a retailer's
9 license under this Section ~~Act~~:

10 (1) a person who has been convicted of a felony
11 related to the illegal transportation, sale, or
12 distribution of cigarettes, or a tobacco-related felony,
13 under any federal or State law, if the Department, after
14 investigation and consideration of any mitigating factors
15 and evidence of rehabilitation contained in the
16 applicant's record, including those provided in Section 4i
17 of the Act, and a hearing, if requested by the applicant,
18 determines that the person has not been sufficiently
19 rehabilitated to warrant the public trust; or

20 (2) a corporation, if any officer, manager, or
21 director thereof, or any stockholder or stockholders
22 owning in the aggregate more than 5% of the stock of such
23 corporation, would not be eligible to receive a license
24 under this Act for any reason; a limited liability
25 company, if any member or managing member would not be
26 eligible to receive a license under this Act for any

1 reason; a partnership, if any partner would not be
2 eligible to receive a license under this Act for any
3 reason.

4 The Department shall not issue a retailer's license to a
5 retailer unless the retailer is also registered under the
6 Retailers' Occupation Tax Act. A person who obtains a license
7 as a retailer who ceases to do business as specified in the
8 license, or who never commenced business, or whose license is
9 suspended or revoked, shall immediately surrender the license
10 to the Department.

11 (c) The Department, upon receipt of an application and
12 license fee, in proper form, from a person who is eligible to
13 receive a retailer's license under this Section ~~Act~~, shall
14 issue to such applicant a license in form as prescribed by the
15 Department. That license shall permit the applicant to whom it
16 is issued to engage in business as a retailer under this Act at
17 the place shown in the ~~his or her~~ application. All licenses
18 issued by the Department under this Section shall be valid for
19 a period not to exceed one year after issuance unless sooner
20 revoked, canceled, or suspended as provided in this Act. No
21 license issued under this Section is transferable or
22 assignable. The license shall be conspicuously displayed in
23 the place of business conducted by the licensee in Illinois
24 under such license.

25 A licensed retailer shall notify the Department of any
26 change in the information contained on the application form,

1 including any change in ownership and shall do so within 30
2 days after the change.

3 ~~The Department shall not issue a retailer's license to a~~
4 ~~retailer unless the retailer is also registered under the~~
5 ~~Retailers' Occupation Tax Act. A person who obtains a license~~
6 ~~as a retailer who ceases to do business as specified in the~~
7 ~~license, or who never commenced business, or whose license is~~
8 ~~suspended or revoked, shall immediately surrender the license~~
9 ~~to the Department.~~

10 Any person aggrieved by any decision of the Department
11 under this Section may, within 30 days after notice of the
12 decision, protest and request a hearing. Upon receiving a
13 request for a hearing, the Department shall give written
14 notice to the person requesting the hearing of the time and
15 place fixed for the hearing and shall hold a hearing in
16 conformity with the provisions of this Act and then issue its
17 final administrative decision in the matter to that person. In
18 the absence of a protest and request for a hearing within 30
19 days, the Department's decision shall become final without any
20 further determination being made or notice given.

21 (Source: P.A. 98-1055, eff. 1-1-16; 99-78, 7-20-15; 99-192,
22 eff. 1-1-16.)

23 (35 ILCS 130/4i)

24 Sec. 4i. Applicant convictions.

25 (a) The Department shall not require applicants to report

1 the following information and shall not consider the following
2 criminal history records in connection with an application for
3 a license or permit under this Act:

4 (1) Juvenile adjudications of delinquent minors as
5 defined in Section 5-105 of the Juvenile Court Act of
6 1987, subject to the restrictions set forth in Section
7 5-130 of the Juvenile Court Act of 1987.

8 (2) Law enforcement records, court records, and
9 conviction records of an individual who was 17 years old
10 at the time of the offense and before January 1, 2014,
11 unless the nature of the offense required the individual
12 to be tried as an adult.

13 (3) Records of arrest not followed by a conviction.

14 (4) Convictions overturned by a higher court.

15 (5) Convictions or arrests that have been sealed or
16 expunged.

17 (b) The Department, upon a finding that an applicant for a
18 license or permit was previously convicted of a felony under
19 any federal or State law, shall consider any mitigating
20 factors and evidence of rehabilitation contained in the
21 applicant's record, including any of the following factors and
22 evidence, to determine if the applicant has been sufficiently
23 rehabilitated and whether a prior conviction will impair the
24 ability of the applicant to engage in the position for which a
25 license or permit is sought:

26 (1) the lack of direct relation of the offense for

1 which the applicant was previously convicted to the
2 duties, functions, and responsibilities of the position
3 for which a license or permit is sought;

4 (2) whether 5 years since a felony conviction or 3
5 years since release from confinement for the conviction,
6 whichever is later, have passed without a subsequent
7 conviction;

8 (3) if the applicant was previously licensed or
9 employed in this State or other states or jurisdictions,
10 then the lack of prior misconduct arising from or related
11 to the licensed position or position of employment;

12 (4) the age of the person at the time of the criminal
13 offense;

14 (5) successful completion of sentence and, for
15 applicants serving a term of parole or probation, a
16 progress report provided by the applicant's probation or
17 parole officer that documents the applicant's compliance
18 with conditions of supervision;

19 (6) evidence of the applicant's present fitness and
20 professional character;

21 (7) evidence of rehabilitation or rehabilitative
22 effort during or after incarceration, or during or after a
23 term of supervision, including, but not limited to, a
24 certificate of good conduct under Section 5-5.5-25 of the
25 Unified Code of Corrections or a certificate of relief
26 from disabilities under Section 5-5.5-10 of the Unified

1 Code of Corrections; and

2 (8) any other mitigating factors that contribute to
3 the person's potential and current ability to perform the
4 duties and responsibilities of the position for which a
5 license, permit or employment is sought.

6 (c) If the Department refuses to issue a license or permit
7 to an applicant, then the Department shall notify the
8 applicant of the denial in writing with the following included
9 in the notice of denial:

10 (1) a statement about the decision to refuse to issue
11 a license or permit;

12 (2) a list of the convictions that the Department
13 determined will impair the applicant's ability to engage
14 in the position for which a license or permit is sought;

15 (3) a list of convictions that formed the sole or
16 partial basis for the refusal to issue a license or
17 permit; and

18 (4) (blank). ~~a summary of the appeal process or the~~
19 ~~earliest the applicant may reapply for a license,~~
20 ~~whichever is applicable.~~

21 (d) No later than May 1 of each year, the Department must
22 prepare, publicly announce, and publish a report of summary
23 statistical information relating to new and renewal license or
24 permit applications during the preceding calendar year. Each
25 report shall show, at a minimum:

26 (1) the number of applicants for a new or renewal

1 license or permit under this Act within the previous
2 calendar year;

3 (2) the number of applicants for a new or renewal
4 license or permit under this Act within the previous
5 calendar year who had any criminal conviction;

6 (3) the number of applicants for a new or renewal
7 license or permit under this Act in the previous calendar
8 year who were granted a license or permit;

9 (4) the number of applicants for a new or renewal
10 license or permit with a criminal conviction who were
11 granted a license or permit under this Act within the
12 previous calendar year;

13 (5) the number of applicants for a new or renewal
14 license or permit under this Act within the previous
15 calendar year who were denied a license or permit; and

16 (6) the number of applicants for a new or renewal
17 license or permit with a criminal conviction who were
18 denied a license or permit under this Act in the previous
19 calendar year in whole or in part because of a prior
20 conviction.

21 (Source: P.A. 100-286, eff. 1-1-18.)

22 (35 ILCS 130/6) (from Ch. 120, par. 453.6)

23 Sec. 6. Revocation, cancellation, or suspension of
24 license.

25 (a) The Department may, after notice and hearing as

1 provided for by this Act, revoke, cancel or suspend the
2 license of any distributor, secondary distributor, or
3 retailer:

4 (1) for the violation of any provision of this Act, or
5 for noncompliance with any provision herein contained, or
6 for any noncompliance with any lawful rule ~~or regulation~~
7 promulgated by the Department under Section 8 of this Act,
8 or

9 (2) because the licensee is determined to be
10 ineligible for a distributor's license for any one or more
11 of the reasons provided for in Section 4 of this Act, or

12 (3) because the licensee is determined to be
13 ineligible for a secondary distributor's license for any
14 one or more of the reasons provided for in Section 4c of
15 this Act, or

16 (4) because the licensee is determined to be
17 ineligible for a retailer's license for any one or more of
18 the reasons provided for in Section 4g of this Act.

19 However, no such license shall be revoked, cancelled or
20 suspended, except after a hearing by the Department with
21 notice to the distributor, secondary distributor, or retailer,
22 as aforesaid, and affording such distributor, secondary
23 distributor, or retailer a reasonable opportunity to appear
24 and defend, and any distributor, secondary distributor, or
25 retailer aggrieved by any decision of the Department with
26 respect thereto may have the determination of the Department

1 judicially reviewed, as herein provided.

2 (b) The Department may revoke, cancel, or suspend the
3 license of any distributor for a violation of the Tobacco
4 Products Manufacturers' Escrow Enforcement Act of 2003 as
5 provided in Section 30 of that Act. The Department may revoke,
6 cancel, or suspend the license of any secondary distributor
7 for a violation of subsection (e) of Section 15 of the Tobacco
8 Products Manufacturers' Escrow Enforcement Act of 2003.

9 (c) If the retailer has a training program that
10 facilitates compliance with minimum-age tobacco laws, the
11 Department shall suspend for 3 days the license of that
12 retailer for a fourth or subsequent violation of the
13 Prevention of Tobacco Use by Persons under 21 Years of Age and
14 Sale and Distribution of Tobacco Products Act, as provided in
15 subsection (a) of Section 2 of that Act. For the purposes of
16 this Section, any violation of subsection (a) of Section 2 of
17 the Prevention of Tobacco Use by Persons under 21 Years of Age
18 and Sale and Distribution of Tobacco Products Act occurring at
19 the retailer's licensed location during a 24-month period
20 shall be counted as a violation against the retailer.

21 (d) If the retailer does not have a training program that
22 facilitates compliance with minimum-age tobacco laws, the
23 Department shall suspend for 3 days the license of that
24 retailer for a second violation of the Prevention of Tobacco
25 Use by Persons under 21 Years of Age and Sale and Distribution
26 of Tobacco Products Act, as provided in subsection (a-5) of

1 Section 2 of that Act.

2 If the retailer does not have a training program that
3 facilitates compliance with minimum-age tobacco laws, the
4 Department shall suspend for 7 days the license of that
5 retailer for a third violation of the Prevention of Tobacco
6 Use by Persons under 21 Years of Age and Sale and Distribution
7 of Tobacco Products Act, as provided in subsection (a-5) of
8 Section 2 of that Act.

9 If the retailer does not have a training program that
10 facilitates compliance with minimum-age tobacco laws, the
11 Department shall suspend for 30 days the license of a retailer
12 for a fourth or subsequent violation of the Prevention of
13 Tobacco Use by Persons under 21 Years of Age and Sale and
14 Distribution of Tobacco Products Act, as provided in
15 subsection (a-5) of Section 2 of that Act.

16 A training program that facilitates compliance with
17 minimum-age tobacco laws must include at least the following
18 elements: (i) it must explain that only individuals displaying
19 valid identification demonstrating that they are 21 years of
20 age or older shall be eligible to purchase cigarettes or
21 tobacco products and (ii) it must explain where a clerk can
22 check identification for a date of birth. The training may be
23 conducted electronically. Each retailer that has a training
24 program shall require each employee who completes the training
25 program to sign a form attesting that the employee has
26 received and completed tobacco training. The form shall be

1 kept in the employee's file and may be used to provide proof of
2 training.

3 (e) Any distributor, secondary distributor, or retailer
4 aggrieved by any decision of the Department under this Section
5 may, within 30 ~~20~~ days after notice of the decision, protest
6 and request a hearing. Upon receiving a request for a hearing,
7 the Department shall give notice in writing to the
8 distributor, secondary distributor, or retailer requesting the
9 hearing that contains a statement of the charges preferred
10 against the distributor, secondary distributor, or retailer
11 and that states the time and place fixed for the hearing. The
12 Department shall hold the hearing in conformity with the
13 provisions of this Act and then issue its final administrative
14 decision in the matter to the distributor, secondary
15 distributor, or retailer. In the absence of a protest and
16 request for a hearing within 30 ~~20~~ days, the Department's
17 decision shall become final without any further determination
18 being made or notice given.

19 (f) No license so revoked, as aforesaid, shall be reissued
20 to any such distributor, secondary distributor, or retailer
21 within a period of 6 months after the date of the final
22 determination of such revocation. No such license shall be
23 reissued at all so long as the person who would receive the
24 license is ineligible to receive a distributor's license under
25 this Act for any one or more of the reasons provided for in
26 Section 4 of this Act, is ineligible to receive a secondary

1 distributor's license under this Act for any one or more of the
2 reasons provided for in Section 4c of this Act, or is
3 determined to be ineligible for a retailer's license under the
4 Act for any one or more of the reasons provided for in Section
5 4g of this Act.

6 The Department upon complaint filed in the circuit court
7 may by injunction restrain any person who fails, or refuses,
8 to comply with any of the provisions of this Act from acting as
9 a distributor, secondary distributor, or retailer of
10 cigarettes in this State.

11 (Source: P.A. 104-6, eff. 6-16-25.)

12 (35 ILCS 130/21) (from Ch. 120, par. 453.21)

13 Sec. 21. Destruction or use of forfeited property.

14 (a) When any original packages of cigarettes or any
15 cigarette vending device shall have been declared forfeited to
16 the State by the Department, as provided in Section 18a of this
17 Act, and when all proceedings for the judicial review of the
18 Department's decision have terminated, the Department shall,
19 to the extent that its decision is sustained on review,
20 destroy or maintain and use such property in an undercover
21 capacity.

22 (b) The Department may, prior to any destruction of
23 cigarettes, permit the true holder of the trademark rights in
24 the cigarette brand to inspect such contraband cigarettes in
25 order to assist the Department in any investigation regarding

1 such cigarettes.

2 (c) The cost of destruction shall be assessed against the
3 owner or the person in possession of the forfeited property.
4 That cost shall be assessed regardless of whether the
5 forfeiture is determined by hearing or waiver.

6 (d) Any person aggrieved by any decision of the Department
7 under this Section may, within 30 days after notice of the
8 decision, protest and request a hearing. Upon receiving a
9 written request for a hearing, the Department shall give
10 notice to the person requesting the hearing of the time and
11 place fixed for the hearing and shall hold a hearing in
12 conformity with the provisions of this Act and then issue its
13 final administrative decision in the matter to that person. In
14 the absence of a protest and request for a hearing within 30
15 days, the Department's decision shall become final without any
16 further determination being made or notice given. If a hearing
17 has already been set pursuant to Section 18a or Section 6 of
18 this Act, all issues related to the cost of destruction shall
19 be heard simultaneously.

20 (Source: P.A. 94-776, eff. 5-19-06; 95-1053, eff. 1-1-10.)

21 (35 ILCS 130/9c rep.)

22 Section 80-15. The Cigarette Tax Act is amended by
23 repealing Section 9c.

24 Section 80-20. The Cigarette Use Tax Act is amended by

changing Sections 4, 4b, 6, 7, 7a, and 27 as follows:

(35 ILCS 135/4) (from Ch. 120, par. 453.34)

Sec. 4. Distributor's license.

(a) A distributor maintaining a place of business in this State, if required to procure a license or allowed to obtain a permit as a distributor under the Cigarette Tax Act, need not obtain an additional license or permit under this Section ~~Act~~, but shall be deemed to be sufficiently licensed or registered by virtue of ~~his~~ being licensed or registered under the Cigarette Tax Act.

Every distributor maintaining a place of business in this State, if not required to procure a license or allowed to obtain a permit as a distributor under the Cigarette Tax Act, shall make an ~~a verified~~ application to the Department, by electronic means, in ~~(upon~~ a form prescribed ~~and furnished~~ by the Department~~)~~ for a license to act as a distributor under this Section. Each applicant for a license under this Section shall furnish to the Department in a form signed and verified by the applicant under penalty of perjury, in an electronic format established by the Department, the following: Act. In completing such application, the applicant shall furnish such information as the Department may reasonably require

(1) a statement that the applicant will fully comply with the Tobacco Products Manufacturers' Escrow Enforcement Act of 2003; and

1 (2) the following information:

2 (A) the name and address of the applicant;

3 (B) the address of the location at which the
4 applicant proposes to engage in business as a
5 distributor of cigarettes in this State; and

6 (C) such other additional information as the
7 Department may reasonably require by its rules.

8 The ~~annual~~ license fee payable to the Department for the
9 initial and each renewal distributor's license shall be \$250.

10 The purpose of such initial and renewal ~~annual~~ license fees
11 ~~fee~~ is to defray the cost, to the Department, of serializing
12 cigarette tax stamps. The applicant for license shall pay such
13 fee to the Department at the time of submitting the
14 application for license to the Department.

15 Through June 30, 2027, such~~Such~~ applicant shall file, with
16 the ~~his~~ application, a joint and several bond. Such bond shall
17 be executed to the Department of Revenue, with good and
18 sufficient surety or sureties residing or licensed to do
19 business within the State of Illinois, in the amount of
20 \$2,500, conditioned upon the true and faithful compliance by
21 the licensee with all of the provisions of this Act. Such bond,
22 or a reissue thereof, or a substitute therefor, shall be kept
23 in effect during the entire period covered by the license.
24 Beginning July 1, 2027, applicants are no longer required to
25 file a bond with their application. The Department shall
26 discharge any surety and shall release and return any bond

1 provided to it by a taxpayer under this Section within 90 days
2 after July 1, 2027, provided that the taxpayer is not
3 delinquent or deficient in the payment of tax liability.

4 A separate application for license shall be made and ~~7~~ a
5 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
6 for each place of business at or from which the applicant
7 proposes to act as a distributor under this Section ~~Act~~ and for
8 which the applicant is not required to procure a license or
9 allowed to obtain a permit as a distributor under the
10 Cigarette Tax Act.

11 (b) The following are ineligible to receive a
12 distributor's license under this Section ~~Act~~:

13 (1) a person who is not of good character and
14 reputation in the community in which the person ~~he~~
15 resides; the Department may consider prior conviction of a
16 felony, but, except as provided in paragraph (2), the
17 conviction shall not operate as an absolute bar to
18 licensure;

19 (2) a person who has been convicted of a felony under
20 any federal ~~Federal~~ or State law, if the Department, after
21 investigation and consideration of any mitigating factors
22 and evidence of rehabilitation contained in the
23 applicant's record, including those provided in Section 4i
24 of the Cigarette Tax Act, and a hearing, if requested by
25 the applicant, determines that such person has not been
26 sufficiently rehabilitated to warrant the public trust and

1 the conviction will impair the ability of the person to
2 engage in the position for which a license is sought;

3 (3) a corporation, if any officer, manager, or
4 director thereof, or any stockholder or stockholders
5 owning in the aggregate more than 5% of the stock of such
6 corporation, would not be eligible to receive a license
7 hereunder for any reason;

8 (4) a person who has delinquent reports under Section
9 25 of the Tobacco Products Manufacturers' Escrow
10 Enforcement Act of 2003; or

11 (5) a person, or any person who owns more than 15% 15
12 ~~percent~~ of the ownership interests in a person or a
13 related party who:

14 (A) ~~(a)~~ owes, at the time of application, any
15 delinquent ~~cigarette~~ taxes that have been determined
16 by law to be due and unpaid under this Act or any other
17 tax Act administered by the Department, unless the
18 license applicant has entered into an agreement
19 approved by the Department to pay the amount due;

20 (B) ~~(b)~~ had a license under this Act, the
21 Cigarette Tax Act, the Tobacco Products Tax Act of
22 1995, or the Cigarette Machine Operator's Occupation
23 Tax Act revoked within the past 2 years by the
24 Department for misconduct relating to stolen or
25 contraband cigarettes or has been convicted of a State
26 or federal crime, punishable by imprisonment of one

1 year or more, relating to stolen or contraband
2 cigarettes;

3 (C) ~~(e)~~ manufactures cigarettes, whether in this
4 State or out of this State, and who is neither (i) a
5 participating manufacturer as defined in subsection
6 II(jj) of the "Master Settlement Agreement" as defined
7 in Sections 10 of the Tobacco Product ~~Products~~
8 Manufacturers' Escrow Act and the Tobacco Products
9 Manufacturers' Escrow Enforcement Act of 2003 ~~(30 ILCS~~
10 ~~168/10 and 30 ILCS 167/10)~~; nor (ii) in full
11 compliance with Tobacco Product ~~Products~~
12 Manufacturers' Escrow Act and the Tobacco Products
13 Manufacturers' Escrow Enforcement Act of 2003 ~~(30 ILCS~~
14 ~~168/ and 30 ILCS 167/)~~;

15 (D) ~~(d)~~ has been found by the Department, after
16 notice and a hearing, to have imported or caused to be
17 imported into the United States for sale or
18 distribution any cigarette in violation of 19 U.S.C.
19 1681a;

20 (E) ~~(e)~~ has been found by the Department, after
21 notice and a hearing, to have imported or caused to be
22 imported into the United States for sale or
23 distribution or manufactured for sale or distribution
24 in the United States any cigarette that does not fully
25 comply with the Federal Cigarette Labeling and
26 Advertising Act (15 U.S.C. 1331, et seq.); or

1 (F) ~~(f)~~ has been found by the Department, after
2 notice and a hearing, to have made a materially
3 ~~material~~ false statement in the application or has
4 failed to produce records required to be maintained by
5 this Act.

6 (c) Upon receipt ~~approval~~ of an ~~such~~ application ~~and bond~~
7 and payment of the required ~~annual~~ license fee from a person
8 who is eligible to receive a distributor's license under this
9 Section, ~~τ~~ the Department shall issue a license to the
10 applicant. Such license shall permit the applicant to engage
11 in business as a distributor at or from the place shown in the
12 ~~his~~ application. All licenses issued by the Department under
13 this Section ~~Act~~ shall be valid for a period not to exceed one
14 year after issuance unless sooner revoked, canceled, or
15 suspended as in this Act provided. No license issued under
16 this Section ~~Act~~ is transferable or assignable. Such license
17 shall be conspicuously displayed at the place of business for
18 which it is issued.

19 No distributor licensee acquires any vested interest or
20 compensable property right in a license issued under this
21 Section ~~Act~~.

22 A licensed distributor shall notify the Department of any
23 change in the information contained on the application form,
24 including any change in ownership, and shall do so within 30
25 days after any such change.

26 Any person aggrieved by any decision of the Department

1 under this Section may, within 30 ~~20~~ days after notice of the
2 decision, protest and request a hearing. Upon receiving a
3 request for a hearing, the Department shall give notice to the
4 person requesting the hearing of the time and place fixed for
5 the hearing and shall hold a hearing in conformity with the
6 provisions of this Act and then issue its final administrative
7 decision in the matter to that person. In the absence of a
8 protest and request for a hearing within 30 ~~20~~ days, the
9 Department's decision shall become final without any further
10 determination being made or notice given.

11 (Source: P.A. 95-1053, eff. 1-1-10; 96-782, eff. 1-1-10.)

12 (35 ILCS 135/4b)

13 Sec. 4b. Secondary distributor's license.

14 (a) No person may engage in business as a secondary
15 distributor of cigarettes in this State without first having
16 obtained a license ~~therefor~~ from the Department. A secondary
17 distributor maintaining a place of business within this State,
18 if required to procure a license as a secondary distributor
19 under the Cigarette Tax Act, need not obtain an additional
20 license or permit under this Section ~~Act~~, but shall be deemed
21 to be sufficiently licensed or registered by virtue of ~~his~~
22 being licensed or registered under the Cigarette Tax Act.

23 Every secondary distributor maintaining a place of
24 business in this State, if not required to procure a license
25 under the Cigarette Tax Act, shall make application for a

1 license, by electronic means, in ~~on~~ a form ~~as furnished and~~
2 prescribed by the Department. Such applicant shall furnish ~~the~~
3 ~~following information~~ to the Department in ~~on~~ a form signed
4 and verified by the applicant under penalty of perjury, in an
5 electronic format established by the Department, the
6 following:

7 (1) a statement that the applicant will fully comply
8 with the Tobacco Products Manufacturers' Escrow
9 Enforcement Act of 2003; and

10 (2) the following information:

11 (A) the name and address of the applicant;

12 (B) ~~(2)~~ the address of the location at which the
13 applicant proposes to engage in business as a
14 secondary distributor of cigarettes in this State; and

15 (C) ~~(3)~~ such other additional information as the
16 Department may reasonably require by its rules.

17 The ~~annual~~ license fee payable to the Department for the
18 initial and each renewal secondary distributor's license shall
19 be \$250. The applicant for license shall pay such fee to the
20 Department at the time of submitting the application for
21 license to the Department.

22 A separate application for license shall be made and a
23 separate ~~annual~~ license fee paid, for each place of business
24 at or from which the applicant proposes to act as a secondary
25 distributor under this Section ~~Act~~ and for which the applicant
26 is not required to procure a license as a secondary

1 distributor under the Cigarette Tax Act.

2 (b) The following are ineligible to receive a secondary
3 distributor's license under this Section ~~Act~~:

4 (1) a person who is not of good character and
5 reputation in the community in which the person ~~he~~
6 resides; the Department may consider prior conviction of a
7 felony, but, except as provided in paragraph (2), the
8 conviction shall not operate as an absolute bar to
9 licensure;

10 (2) a person who has been convicted of a felony under
11 any federal ~~Federal~~ or State law, if the Department, after
12 investigation and consideration of any mitigating factors
13 and evidence of rehabilitation contained in the
14 applicant's record, including those in Section 4i of the
15 Cigarette Tax Act, and a hearing, if requested by the
16 applicant, determines that such person has not been
17 sufficiently rehabilitated to warrant the public trust and
18 the conviction will impair the ability of the person to
19 engage in the position for which a license is sought;

20 (3) a corporation, if any officer, manager, or
21 director thereof, or any stockholder or stockholders
22 owning in the aggregate more than 5% of the stock of such
23 corporation, would not be eligible to receive a license
24 under this Act ~~hereunder~~ for any reason;

25 (4) a person who manufactures cigarettes, whether in
26 this State or out of this State, and who is neither (i) a

1 participating manufacturer as defined in subsection II(jj)
2 of the "Master Settlement Agreement" as defined in
3 Sections 10 of the Tobacco Product Manufacturers' Escrow
4 Act and the Tobacco Products Manufacturers' Escrow
5 Enforcement Act of 2003; nor (ii) in full compliance with
6 Tobacco Product Manufacturers' Escrow Act and the Tobacco
7 Products Manufacturers' Escrow Enforcement Act of 2003;

8 (5) a person who has delinquent reports under Section
9 25 of the Tobacco Products Manufacturers' Escrow
10 Enforcement Act of 2003; or

11 (6) a person, or any person who owns more than 15% 15
12 percent of the ownership interests in a person or a
13 related party who:

14 (A) owes, at the time of application, any
15 delinquent ~~cigarette~~ taxes that have been determined
16 by law to be due and unpaid under this Act or any other
17 tax Act administered by the Department, unless the
18 license applicant has entered into an agreement
19 approved by the Department to pay the amount due;

20 (B) had a license under this Act, ~~or~~ the Cigarette
21 Tax Act, the Tobacco Products Tax Act of 1995, or the
22 Cigarette Machine Operator's Occupation Tax Act
23 revoked within the past 2 years by the Department for
24 misconduct relating to stolen or contraband cigarettes
25 or has been convicted of a State or federal crime,
26 punishable by imprisonment of one year or more,

1 relating to stolen or contraband cigarettes;

2 (C) has been found by the Department, after notice
3 and a hearing, to have imported or caused to be
4 imported into the United States for sale or
5 distribution any cigarette in violation of 19 U.S.C.
6 1681a;

7 (D) has been found by the Department, after notice
8 and a hearing, to have imported or caused to be
9 imported into the United States for sale or
10 distribution or manufactured for sale or distribution
11 in the United States any cigarette that does not fully
12 comply with the Federal Cigarette Labeling and
13 Advertising Act (15 U.S.C. 1331, et seq.); or

14 (E) has been found by the Department, after notice
15 and a hearing, to have made a materially ~~material~~
16 false statement in the application or has failed to
17 produce records required to be maintained by this Act.

18 (c) The Department, upon receipt of an ~~Upon approval of~~
19 ~~such~~ application and payment of the required ~~annual~~ license
20 fee, from a person who is eligible to receive a secondary
21 distributor's license under this Section, ~~the Department~~ shall
22 issue a license to the applicant. Such license shall permit
23 the applicant to engage in business as a secondary distributor
24 at or from the place shown in the ~~his~~ application. All licenses
25 issued by the Department under this Section ~~Act~~ shall be valid
26 for a period not to exceed one year after issuance unless

1 sooner revoked, canceled or suspended as provided in this Act
2 ~~provided~~. No license issued under this Section ~~Act~~ is
3 transferable or assignable. Such license shall be
4 conspicuously displayed at the place of business for which it
5 is issued.

6 No secondary distributor licensee acquires any vested
7 interest or compensable property right in a license issued
8 under this Section ~~Act~~.

9 A licensed secondary distributor shall notify the
10 Department of any change in the information contained on the
11 application form, including any change in ownership, and shall
12 do so within 30 days after any such change.

13 Any person aggrieved by any decision of the Department
14 under this Section may, within 30 ~~20~~ days after notice of the
15 decision, protest and request a hearing. Upon receiving a
16 request for a hearing, the Department shall give notice to the
17 person requesting the hearing of the time and place fixed for
18 the hearing and shall hold a hearing in conformity with the
19 provisions of this Act and then issue its final administrative
20 decision in the matter to that person. In the absence of a
21 protest and request for a hearing within 30 ~~20~~ days, the
22 Department's decision shall become final without any further
23 determination being made or notice given.

24 (Source: P.A. 96-1027, eff. 7-12-10.)

1 Sec. 6. Revocation, cancellation, or suspension of
2 license.

3 (a) The Department may, after notice and hearing as
4 provided for by this Act, revoke, cancel or suspend the
5 license of any distributor or secondary distributor for the
6 violation of any provision of this Act, or for non-compliance
7 with any provision herein contained, or for any non-compliance
8 with any lawful rule ~~or regulation~~ promulgated by the
9 Department under Section 21 of this Act, or because the
10 licensee is determined to be ineligible for a distributor's
11 license for any one or more of the reasons provided for in
12 Section 4 of this Act, or because the licensee is determined to
13 be ineligible for a secondary distributor's license for any
14 one or more of the reasons provided for in Section 4b or
15 Section 7a of this Act. However, no such license shall be
16 revoked, canceled or suspended, except after a hearing by the
17 Department with notice to the distributor or secondary
18 distributor, as aforesaid, and affording such distributor or
19 secondary distributor a reasonable opportunity to appear and
20 defend, and any distributor or secondary distributor aggrieved
21 by any decision of the Department with respect thereto may
22 have the determination of the Department judicially reviewed,
23 as herein provided.

24 (b) The Department may revoke, cancel, or suspend the
25 license of any distributor for a violation of the Tobacco
26 Products Manufacturers' Escrow Enforcement Act of 2003 as

1 provided in Section 30 of that Act. The Department may revoke,
2 cancel, or suspend the license of any secondary distributor
3 for a violation of subsection (e) of Section 15 of the Tobacco
4 Products Manufacturers' Escrow Enforcement Act of 2003.

5 (c) Any distributor or secondary distributor aggrieved by
6 any decision of the Department under this Section may, within
7 30 ~~20~~ days after notice of the decision, protest and request a
8 hearing. Upon receiving a request for a hearing, the
9 Department shall give notice in writing to the distributor or
10 secondary distributor requesting the hearing that contains a
11 statement of the charges preferred against the distributor or
12 secondary distributor and that states the time and place fixed
13 for the hearing. The Department shall hold the hearing in
14 conformity with the provisions of this Act and then issue its
15 final administrative decision in the matter to the distributor
16 or secondary distributor. In the absence of a protest and
17 request for a hearing within 30 ~~20~~ days, the Department's
18 decision shall become final without any further determination
19 being made or notice given.

20 No license so revoked, shall be reissued to any such
21 distributor or secondary distributor within a period of 6
22 months after the date of the final determination of such
23 revocation. No such license shall be reissued at all so long as
24 the person who would receive the license is ineligible to
25 receive a distributor's license under this Act for any one or
26 more of the reasons provided for in Section 4 of this Act or is

1 ineligible to receive a secondary distributor's license under
2 this Act for any one or more of the reasons provided for in
3 Section 4b and Section 7a of this Act.

4 The Department upon complaint filed in the circuit court
5 may by injunction restrain any person who fails, or refuses,
6 to comply with this Act from acting as a distributor or
7 secondary distributor of cigarettes in this State.

8 (Source: P.A. 104-6, eff. 6-16-25.)

9 (35 ILCS 135/7) (from Ch. 120, par. 453.37)

10 Sec. 7. Distributor's permits.

11 (a) Cigarettes in original packages contained inside a
12 sealed transparent wrapper.

13 (1) The Department may, in its discretion, upon
14 application, issue permits authorizing the collection of
15 the tax herein imposed by those out-of-State cigarette
16 manufacturers who are not required to be licensed as
17 distributors of cigarettes in this State, but who elect to
18 qualify under this subsection ~~Act~~ as distributors of
19 cigarettes in this State, and who, to the satisfaction of
20 the Department, furnish adequate security to insure
21 collection and payment of the tax, provided that any such
22 permit shall extend only to cigarettes which such
23 permittee manufacturer places in original packages that
24 are contained inside a sealed transparent wrapper, and
25 provided that no such permit shall be issued under this

1 subsection ~~Act~~ to such a manufacturer who has obtained the
2 permit provided for in Section 4b(a) of the Cigarette Tax
3 Act. Application for a permit shall be made to the
4 Department, by electronic means, in a form prescribed by
5 the Department. Each applicant for a permit under this
6 subsection shall furnish to the Department in a form
7 signed and verified by the applicant under penalty of
8 perjury, in an electronic format established by the
9 Department, the following: ~~Such distributor shall be~~
10 ~~issued, without charge, a permit to collect such tax in~~
11 ~~such manner, and subject to such reasonable regulations~~
12 ~~and agreements as the Department shall prescribe~~

13 (A) a statement that the applicant will fully
14 comply with the Tobacco Products Manufacturers' Escrow
15 Enforcement Act of 2003; and

16 (B) the following information:

17 (i) the name and address of the applicant;

18 (ii) the address of the location at which the
19 applicant proposes to engage in business; and

20 (iii) such other additional information as the
21 Department may reasonably require by its rules.

22 When so authorized, it shall be the duty of such
23 distributor to collect the tax upon all cigarettes which the
24 distributor ~~he~~ delivers ~~for causes to be delivered~~ within
25 this State to licensed distributors, in the same manner and
26 subject to the same requirements as a distributor maintaining

1 a place of business within this State. ~~Such permit shall be in~~
2 ~~such form as the Department may prescribe and shall not be~~
3 ~~transferable or assignable.~~

4 (2) The following are ineligible to receive a
5 distributor's permit under this subsection ~~Act~~:

6 (A) ~~(1)~~ a person who is not of good character and
7 reputation in the community in which the person ~~he~~
8 resides; the Department may consider prior conviction
9 of a felony, but, except as provided in paragraph (B),
10 the conviction shall not operate as an absolute bar to
11 licensure;

12 (B) ~~(2)~~ a person who has been convicted of a felony
13 under any federal ~~Federal~~ or State law, if the
14 Department, after investigation and consideration of
15 any mitigating factors and evidence of rehabilitation
16 contained in the applicant's record, including those
17 provided in Section 4i of the Cigarette Tax Act, and a
18 hearing, if requested by the applicant, determines
19 that such person has not been sufficiently
20 rehabilitated to warrant the public trust and the
21 conviction will impair the ability of the person to
22 engage in the position for which a license is sought;

23 (C) ~~(3)~~ a corporation, if any officer, manager or
24 director thereof, or any stockholder or stockholders
25 owning in the aggregate more than 5% of the stock of
26 such corporation, would not be eligible to receive a

1 permit under this Act for any reason;

2 (D) a person who has delinquent reports under
3 Section 25 of the Tobacco Products Manufacturers'
4 Escrow Enforcement Act of 2003; or

5 (E) a person, or any person who owns more than 15%
6 of the ownership interests in a person or a related
7 party who:

8 (i) owes, at the time of application, any
9 delinquent taxes that have been determined by law
10 to be due and unpaid under this Act or any other
11 tax Act administered by the Department, unless the
12 applicant has entered into an agreement approved
13 by the Department to pay the amount due;

14 (ii) had a license under this Act, the
15 Cigarette Use Tax Act, the Tobacco Products Tax
16 Act of 1995, or the Cigarette Machine Operator's
17 Occupation Tax Act revoked within the past 2 years
18 by the Department for misconduct relating to
19 stolen or contraband cigarettes or has been
20 convicted of a State or federal crime, punishable
21 by imprisonment of one year or more, relating to
22 stolen or contraband cigarettes;

23 (iii) manufactures cigarettes, whether in this
24 State or out of this State, and who is neither (a)
25 a participating manufacturer as defined in
26 subsection II(jj) of the "Master Settlement

1 Agreement" as defined in Sections 10 of the
2 Tobacco Product Manufacturers' Escrow Act and the
3 Tobacco Products Manufacturers' Escrow Enforcement
4 Act of 2003; nor (b) in full compliance with
5 Tobacco Product Manufacturers' Escrow Act and the
6 Tobacco Products Manufacturers' Escrow Enforcement
7 Act of 2003;

8 (iv) has been found by the Department, after
9 notice and a hearing, to have imported or caused
10 to be imported into the United States for sale or
11 distribution any cigarette in violation of 19
12 U.S.C. 1681a;

13 (v) has been found by the Department, after
14 notice and a hearing, to have imported or caused
15 to be imported into the United States for sale or
16 distribution or manufactured for sale or
17 distribution in the United States any cigarette
18 that does not fully comply with the Federal
19 Cigarette Labeling and Advertising Act (15 U.S.C.
20 1331, et seq.); or

21 (vi) has been found by the Department, after
22 notice and a hearing, to have made a materially
23 false statement in the application or has failed
24 to produce records required to be maintained by
25 this Act.

26 (3) There is no application fee for the initial and

1 renewal permits. A permittee shall notify the Department
2 of any change in the information contained on the
3 application form, including any change in ownership, and
4 shall do so within 30 days after any such change. Such
5 permit shall not be transferable or assignable. A
6 permittee does not acquire any vested interest or
7 compensable property right in a permit issued under this
8 subsection.

9 With respect to cigarettes which come within the scope of
10 such a permit and which any such permittee delivers or causes
11 to be delivered in Illinois to licensed distributors, such
12 permittee shall collect the tax imposed by this Act and shall
13 remit such tax to the Department by the 5th day of each month
14 for the preceding calendar month. Each such remittance shall
15 be accompanied by a return filed with the Department in ~~on~~ a
16 form ~~to be~~ prescribed ~~and furnished~~ by the Department and
17 shall disclose such information as the Department may lawfully
18 require. Information that the Department may lawfully require
19 includes information related to the uniform regulation and
20 taxation of cigarettes. All returns and supporting schedules
21 required to be filed under this subsection and all payments
22 required to be made under this subsection shall be by
23 electronic means in the form prescribed by the Department ~~The~~
24 ~~Department may promulgate rules to require that the~~
25 ~~permittee's return be accompanied by appropriate~~
26 ~~computer generated magnetic media supporting schedule data in~~

1 ~~the format prescribed by the Department, unless, as provided~~
2 ~~by rule, the Department grants an exception upon petition of~~
3 ~~the permittee.~~ Each such return shall be accompanied by a copy
4 of each invoice rendered by the permittee to any licensed
5 distributor to whom the permittee delivered cigarettes of the
6 type covered by the permit ~~for~~ caused cigarettes of the type
7 covered by the permit to be delivered~~;~~ in Illinois during the
8 period covered by such return.

9 Such authority and permit may be suspended, canceled~~,~~ or
10 revoked when, at any time, the Department considers that the
11 security given is inadequate, or that such tax can more
12 effectively be collected from the person using such cigarettes
13 in this State or through distributors located in this State,
14 or whenever the permittee violates any provision of this Act
15 or any lawful rule ~~or regulation~~ issued by the Department
16 pursuant to this Act or is determined to be ineligible for a
17 distributor's permit under this Act as provided in this
18 Section, or whenever the permittee shall notify the Department
19 in writing ~~of his desire~~ to have the permit canceled. The
20 Department shall have the power, in its discretion, to issue a
21 new permit after such suspension, cancellation~~,~~ or revocation,
22 except when the person who would receive the permit is
23 ineligible to receive a distributor's permit under this Act.

24 All permits issued by the Department under this subsection
25 ~~Act~~ shall be valid for not to exceed one year after issuance
26 unless sooner revoked, canceled or suspended as in this Act

1 provided.

2 Any person aggrieved by any decision of the Department
3 under this subsection may, within 30 days after notice of the
4 decision, protest and request a hearing. Upon receiving a
5 request for a hearing, the Department shall give notice to the
6 person requesting the hearing of the time and place fixed for
7 the hearing and shall hold a hearing in conformity with the
8 provisions of this Act and then issue its final administrative
9 decision in the matter to that person. In the absence of a
10 protest and request for a hearing within 30 days, the
11 Department's decision shall become final without any further
12 determination being made or notice given.

13 (b) Unstamped original packages of cigarettes for
14 distribution to the public for promotional purposes without
15 consideration.

16 (1) Out-of-state cigarette manufacturers who are not
17 required to be licensed as distributors of cigarettes in
18 this State and who do not elect to obtain approval under
19 subsection (a) to pay the tax imposed by this Act, but who
20 elect to qualify under this subsection ~~Act~~ as distributors
21 of cigarettes in this State for purposes of shipping and
22 delivering unstamped original packages of cigarettes into
23 this State to licensed distributors, shall obtain a permit
24 from the Department, provided that no such permit shall be
25 issued under this subsection to a manufacturer who has
26 obtained the permit provided for in Section 4b(b) of the

1 Cigarette Tax Act. ~~These permits shall be issued without~~
2 ~~charge in such form as the Department may prescribe and~~
3 ~~shall not be transferable or assignable.~~

4 Application for permit shall be made to the
5 Department, by electronic means, in a form prescribed by
6 the Department. Each applicant for a permit under this
7 subsection shall furnish to the Department in a form
8 signed and verified by the applicant under penalty of
9 perjury, in an electronic format established by the
10 Department, the following:

11 (A) a statement that the applicant will fully
12 comply with the Tobacco Products Manufacturers' Escrow
13 Enforcement Act of 2003; and

14 (B) the following information:

15 (i) the name and address of the applicant;

16 (ii) the address of the location at which the
17 applicant proposes to engage in business; and

18 (iii) such other additional information as the
19 Department may reasonably require by its rules.

20 (2) The following are ineligible to receive a
21 distributor's permit under this subsection:

22 (A) ~~(1)~~ a person who is not of good character and
23 reputation in the community in which the person ~~he or~~
24 ~~she~~ resides; the Department may consider prior
25 conviction of a felony, but, except as provided in
26 paragraph (B), the conviction shall not operate as an

1 absolute bar to licensure;

2 (B) ~~(2)~~ a person who has been convicted of a felony
3 under any federal or State law, if the Department,
4 after investigation and consideration of any
5 mitigating factors and evidence of rehabilitation
6 contained in the applicant's record, including those
7 provided in Section 4i of the Cigarette Tax Act, and a
8 hearing, if requested by the applicant, determines
9 that the person has not been sufficiently
10 rehabilitated to warrant the public trust and the
11 conviction will impair the ability of the person to
12 engage in the position for which a permit is sought;
13 and

14 (C) ~~(3)~~ a corporation, if any officer, manager or
15 director thereof, or any stockholder or stockholders
16 owning in the aggregate more than 5% of the stock of
17 the corporation, would not be eligible to receive a
18 permit under this Act for any reason;

19 (D) a person who has delinquent reports under
20 Section 25 of the Tobacco Products Manufacturers'
21 Escrow Enforcement Act of 2003 (30 ILCS 167/25); or

22 (E) a person, or any person who owns more than 15%
23 of the ownership interests in a person or a related
24 party who:

25 (i) owes, at the time of application, any
26 delinquent taxes that have been determined by law

1 to be due and unpaid under this Act or any other
2 tax Act administered by the Department, unless the
3 applicant has entered into an agreement approved
4 by the Department to pay the amount due;

5 (ii) had a license under this Act, the
6 Cigarette Tax Act, the Tobacco Products Tax Act of
7 1995, or the Cigarette Machine Operator's
8 Occupation Tax Act revoked within the past 2 years
9 by the Department for misconduct relating to
10 stolen or contraband cigarettes or has been
11 convicted of a State or federal crime, punishable
12 by imprisonment of one year or more, relating to
13 stolen or contraband cigarettes;

14 (iii) manufactures cigarettes, whether in this
15 State or out of this State, and who is neither (a)
16 a participating manufacturer as defined in
17 subsection II(jj) of the "Master Settlement
18 Agreement" as defined in Sections 10 of the
19 Tobacco Product Manufacturers' Escrow Act and the
20 Tobacco Products Manufacturers' Escrow Enforcement
21 Act of 2003; nor (b) in full compliance with
22 Tobacco Product Manufacturers' Escrow Act and the
23 Tobacco Products Manufacturers' Escrow Enforcement
24 Act of 2003;

25 (iv) has been found by the Department, after
26 notice and a hearing, to have imported or caused

1 to be imported into the United States for sale or
2 distribution any cigarette in violation of 19
3 U.S.C. 1681a;

4 (v) has been found by the Department, after
5 notice and a hearing, to have imported or caused
6 to be imported into the United States for sale or
7 distribution or manufactured for sale or
8 distribution in the United States any cigarette
9 that does not fully comply with the Federal
10 Cigarette Labeling and Advertising Act (15 U.S.C.
11 1331, et seq.); or

12 (vi) has been found by the Department, after
13 notice and a hearing, to have made a materially
14 false statement in the application or has failed
15 to produce records required to be maintained by
16 this Act.

17 (3) There is no application fee for the initial and
18 renewal permits. A permittee shall notify the Department
19 of any change in the information contained on the
20 application form, including any change in ownership, and
21 shall do so within 30 days after any such change. Such
22 permit shall not be transferable or assignable. A
23 permittee does not acquire any vested interest or
24 compensable property right in a permit issued under this
25 subsection.

26 With respect to original packages of cigarettes such

1 permittee delivers or causes to be delivered in Illinois and
2 distributed to the public for promotional purposes without
3 consideration, the permittee shall pay the tax imposed by this
4 Act by remitting the amount thereof to the Department by the
5 5th day of each month covering cigarettes shipped or otherwise
6 delivered in Illinois for those purposes during the preceding
7 calendar month. The permittee, before delivering those
8 cigarettes or causing those cigarettes to be delivered in this
9 State, shall evidence the ~~his or her~~ obligation to remit the
10 taxes due with respect to those cigarettes by imprinting
11 language to be prescribed by the Department on each original
12 package of cigarettes, in such place thereon and in such
13 manner also to be prescribed by the Department. The imprinted
14 language shall acknowledge the permittee's payment of or
15 liability for the tax imposed by this Act with respect to the
16 distribution of those cigarettes.

17 With respect to cigarettes such permittee delivers or
18 causes to be delivered in Illinois to Illinois licensed
19 distributors or distributed to the public for promotional
20 purposes, the permittee shall, by the 5th day of each month,
21 file with the Department, a report covering cigarettes shipped
22 or otherwise delivered in Illinois to licensed distributors or
23 distributed to the public for promotional purposes during the
24 preceding calendar month on a form to be prescribed and
25 furnished by the Department and shall disclose such other
26 information as the Department may lawfully require.

1 Information that the Department may lawfully require includes
2 information related to the uniform regulation and taxation of
3 cigarettes. All reports required to be filed under this
4 subsection and all payments required to be made under this
5 subsection shall be by electronic means in the form prescribed
6 by the Department ~~The Department may promulgate rules to~~
7 ~~require that the permittee's report be accompanied by~~
8 ~~appropriate computer generated magnetic media supporting~~
9 ~~schedule data in the format prescribed by the Department,~~
10 ~~unless, as provided by rule, the Department grants an~~
11 ~~exception upon petition of the permittee.~~ Each such report
12 shall be accompanied by a copy of each invoice rendered by the
13 permittee to any purchaser to whom the permittee delivered
14 cigarettes of the type covered by the permit ~~or caused~~
15 ~~cigarettes of the type covered by the permit to be delivered~~
16 in Illinois during the period covered by such report.

17 Such permit may be suspended, canceled, or revoked
18 whenever the permittee violates any provision of this Act or
19 any lawful rule ~~or regulation~~ issued by the Department
20 pursuant to this Act, is determined to be ineligible for a
21 distributor's permit under this Act as provided in this
22 subsection ~~Section~~, or notifies the Department in writing ~~of~~
23 ~~his or her desire~~ to have the permit canceled. The Department
24 shall have the power, in its discretion, to issue a new permit
25 after such suspension, cancellation, or revocation, except
26 when the person who would receive the permit is ineligible to

1 receive a distributor's permit under this Act.

2 All permits issued by the Department under this subsection
3 ~~Act~~ shall be valid for a period not to exceed one year after
4 issuance unless sooner revoked, canceled, or suspended as in
5 this Act provided.

6 Any person aggrieved by any decision of the Department
7 under this subsection may, within 30 days after notice of the
8 decision, protest and request a hearing. Upon receiving a
9 request for a hearing, the Department shall give notice to the
10 person requesting the hearing of the time and place fixed for
11 the hearing and shall hold a hearing in conformity with the
12 provisions of this Act and then issue its final administrative
13 decision in the matter to that person. In the absence of a
14 protest and request for a hearing within 30 days, the
15 Department's decision shall become final without any further
16 determination being made or notice given.

17 (Source: P.A. 96-782, eff. 1-1-10.)

18 (35 ILCS 135/7a)

19 Sec. 7a. Discretionary secondary distributor's license.

20 (a) The Department may, in its discretion, upon
21 application, issue a secondary distributor's license to
22 persons who are not required to be licensed as secondary
23 distributors of cigarettes in this State, but who elect to
24 qualify under this Section ~~Act~~ as discretionary secondary
25 distributors of cigarettes. Such discretionary secondary

1 distributor shall be issued, ~~without charge,~~ a license to make
2 sales for resale to Illinois retailers, subject to such
3 reasonable requirements as the Department shall prescribe.
4 Each applicant for a license under this Section shall furnish
5 ~~the following information~~ to the Department, by electronic
6 means, in or on a form signed and verified by the applicant under
7 penalty of perjury, in an electronic format established by the
8 Department, the following:

9 (1) a statement that the applicant will fully comply
10 with the Tobacco Products Manufacturers' Escrow
11 Enforcement Act of 2003; and

12 (2) the following information:

13 (A) ~~(a)~~ the name and address of the applicant;

14 (B) ~~(b)~~ the address of the location at which the
15 applicant proposes to engage in business as a
16 discretionary secondary distributor of cigarettes; and

17 (C) ~~(c)~~ such other additional information as the
18 Department may reasonably require by its rules.

19 A separate application for license shall be made for each
20 place of business at or from which the applicant proposes to
21 act as a discretionary secondary distributor under this
22 Section Act and for which the applicant is not required to
23 procure a license as a secondary distributor under the
24 Cigarette Tax Act or Cigarette Use Tax Act.

25 (b) The following are ineligible to receive a
26 discretionary secondary distributor's license under this

1 Section ~~Act~~:

2 (1) a person who is not of good character and
3 reputation in the community in which the person ~~he~~
4 resides; the Department may consider prior conviction of a
5 felony, but, except as provided in paragraph (2), the
6 conviction shall not operate as an absolute bar to
7 licensure;

8 (2) a person who has been convicted of a felony under
9 any federal ~~Federal~~ or State law, if the Department, after
10 investigation and consideration of any mitigating factors
11 and evidence of rehabilitation contained in the
12 applicant's record, including those in Section 4i of the
13 Cigarette Tax Act, and a hearing, if requested by the
14 applicant, determines that such person has not been
15 sufficiently rehabilitated to warrant the public trust and
16 the conviction will impair the ability of the person to
17 engage in the position for which a license is sought;

18 (3) a corporation, if any officer, manager or director
19 thereof, or any stockholder or stockholders owning in the
20 aggregate more than 5% of the stock of such corporation,
21 would not be eligible to receive a license under this Act
22 ~~hereunder~~ for any reason;

23 (4) a person who manufactures cigarettes, whether in
24 this State or out of this State, and who is neither (i) a
25 participating manufacturer as defined in subsection II(jj)
26 of the "Master Settlement Agreement" as defined in

1 Sections 10 of the Tobacco Product Manufacturers' Escrow
2 Act and the Tobacco Products Manufacturers' Escrow
3 Enforcement Act of 2003; nor (ii) in full compliance with
4 Tobacco Product Manufacturers' Escrow Act and the Tobacco
5 Products Manufacturers' Escrow Enforcement Act of 2003;

6 (5) a person who has delinquent reports under Section
7 25 of the Tobacco Products Manufacturers' Escrow
8 Enforcement Act of 2003; or

9 (6) a person, or any person who owns more than 15% 15
10 ~~percent~~ of the ownership interests in a person or a
11 related party who:

12 (A) owes, at the time of application, any
13 delinquent ~~cigarette~~ taxes that have been determined
14 by law to be due and unpaid under this Act or any other
15 tax Act administered by the Department, unless the
16 license applicant has entered into an agreement
17 approved by the Department to pay the amount due;

18 (B) had a license under this Act, ~~or~~ the Cigarette
19 Tax Act, the Tobacco Products Tax Act of 1995, or the
20 Cigarette Machine Operator's Occupation Tax Act
21 revoked within the past 2 years by the Department for
22 misconduct relating to stolen or contraband cigarettes
23 or has been convicted of a State or federal crime,
24 punishable by imprisonment of one year or more,
25 relating to stolen or contraband cigarettes;

26 (C) has been found by the Department, after notice

1 and a hearing, to have imported or caused to be
2 imported into the United States for sale or
3 distribution any cigarette in violation of 19 U.S.C.
4 1681a;

5 (D) has been found by the Department, after notice
6 and a hearing, to have imported or caused to be
7 imported into the United States for sale or
8 distribution or manufactured for sale or distribution
9 in the United States any cigarette that does not fully
10 comply with the Federal Cigarette Labeling and
11 Advertising Act (15 U.S.C. 1331, et seq.); or

12 (E) has been found by the Department, after notice
13 and a hearing, to have made a materially ~~material~~
14 false statement in the application or has failed to
15 produce records required to be maintained by this Act.

16 (c) The Department, upon receipt of application from a
17 person who is eligible to receive a discretionary secondary
18 distributor's license under this Section, ~~Upon approval of~~
19 ~~such application, the Department~~ shall issue a license to the
20 applicant. Such license shall permit the applicant to engage
21 in business as a discretionary secondary distributor at or
22 from the place shown in the ~~his~~ application. There is no
23 application fee for the initial and renewal permits. All
24 licenses issued by the Department under this Section ~~Act~~ shall
25 be valid for a period not to exceed one year after issuance
26 unless sooner revoked, canceled, or suspended as provided in

1 this Act ~~provided~~. No license issued under this Section ~~Act~~ is
2 transferable or assignable. Such license shall be
3 conspicuously displayed at the place of business for which it
4 is issued.

5 No discretionary secondary distributor licensee acquires
6 any vested interest or compensable property right in a license
7 issued under this Section ~~Act~~.

8 A licensed discretionary secondary distributor shall
9 notify the Department of any change in the information
10 contained on the application form, including any change in
11 ownership, and shall do so within 30 days after any such
12 change.

13 Any person aggrieved by any decision of the Department
14 under this Section may, within 30 ~~20~~ days after notice of the
15 decision, protest and request a hearing. Upon receiving a
16 request for a hearing, the Department shall give notice to the
17 person requesting the hearing of the time and place fixed for
18 the hearing and shall hold a hearing in conformity with the
19 provisions of this Act and then issue its final administrative
20 decision in the matter to that person. In the absence of a
21 protest and request for a hearing within 30 ~~20~~ days, the
22 Department's decision shall become final without any further
23 determination being made or notice given.

24 Such authority and license may be suspended, canceled, or
25 revoked whenever the licensee violates any provision of this
26 Act or any lawful rule ~~or regulation~~ issued by the Department

1 pursuant to this Act or is determined to be ineligible for a
2 discretionary secondary distributor's permit under this Act as
3 provided in this Section, or whenever the licensee shall
4 notify the Department in writing ~~of his desire~~ to have the
5 license canceled. The Department shall have the power, in its
6 discretion, to issue a new license after such suspension,
7 cancellation, or revocation, except when the person who would
8 receive the license is ineligible to receive a discretionary
9 secondary distributor's license under this Section Act.

10 (Source: P.A. 96-1027, eff. 7-12-10.)

11 (35 ILCS 135/27) (from Ch. 120, par. 453.57)

12 Sec. 27. Destruction or use of forfeited property.

13 (a) When any original packages of cigarettes or any
14 cigarette vending device shall have been declared forfeited to
15 the State by the Department, as provided in Section 25 of this
16 Act, and when all proceedings for the judicial review of the
17 Department's decision have terminated, the Department shall,
18 to the extent that its decision is sustained on review,
19 destroy or maintain and use such property in an undercover
20 capacity.

21 (b) The Department may, prior to any destruction of
22 cigarettes, permit the true holder of the trademark rights in
23 the cigarette brand to inspect such contraband cigarettes, in
24 order to assist the Department in any investigation regarding
25 such cigarettes.

1 (c) The cost of destruction shall be assessed against the
2 owner or the person in possession of the forfeited property.
3 Such cost shall be assessed regardless of whether the
4 forfeiture is determined by hearing or waiver.

5 (d) Any person aggrieved by any decision of the Department
6 under this Section may, within 30 days after notice of the
7 decision, protest and request a hearing. Upon receiving a
8 written request for a hearing, the Department shall give
9 notice to the person requesting the hearing of the time and
10 place fixed for the hearing and shall hold a hearing in
11 conformity with the provisions of this Act and then issue its
12 final administrative decision in the matter to that person. In
13 the absence of a protest and request for a hearing within 30
14 days, the Department's decision shall become final without any
15 further determination being made or notice given. If a hearing
16 has already been set pursuant to Section 25 or Section 6 of
17 this Act, all issues related to the cost of destruction shall
18 be heard simultaneously.

19 (Source: P.A. 94-776, eff. 5-19-06; 95-1053, eff. 1-1-10.)

20 Section 80-25. The Tobacco Products Tax Act of 1995 is
21 amended by changing Sections 10-20, 10-21, 10-25, 10-55,
22 10-56, and 10-58 as follows:

23 (35 ILCS 143/10-20)

24 Sec. 10-20. Distributor's licenses.

1 (a) It shall be unlawful for any person to engage in
2 business as a distributor of tobacco products within the
3 meaning of this Act without first having obtained a license to
4 do so from the Department. Application for that license shall
5 be made to the Department, by electronic means, in a form
6 prescribed ~~and furnished~~ by the Department. Each applicant for
7 a license shall furnish to the Department in ~~on~~ a form, signed
8 and verified by the applicant under penalty of perjury, in an
9 electronic format established by the Department, the following
10 ~~information:~~

11 (1) a statement that the applicant will fully comply
12 with the Tobacco Products Manufacturers' Escrow
13 Enforcement Act of 2003; and

14 (2) the following information:

15 (A) the ~~The~~ name and address of the applicant; -

16 (B) the ~~(2) The~~ address of the location at which
17 the applicant proposes to engage in business as a
18 distributor of tobacco products; and -

19 (C) such other additional ~~(3) Other~~ information as
20 the Department may reasonably require by its rules.

21 Each distributor, except for a distributor who is applying
22 for a distributor's license under this Act for the first time
23 or a distributor who, in the preceding year, had less than
24 \$50,000 of tax liability, shall also file with the Department
25 a bond in an amount not to exceed (i) 3 times the amount of the
26 distributor's average monthly tax liability or (ii) \$50,000,

1 whichever amount is lower, on a form to be approved by the
2 Department. The Department shall fix the amount of the bond
3 for each applicant, taking into consideration the amount of
4 money expected to become due from the applicant under this
5 Act. The amount of bond required by the Department shall be an
6 amount that, in its opinion, will protect the State of
7 Illinois against failure to pay the amount that may become due
8 from the applicant under this Act. Except as otherwise
9 provided in this Section, the bond, a reissue, or a substitute
10 shall be kept in full force and effect during the entire period
11 covered by the license. A separate application for license
12 shall be made, and bond filed, for each place of business at
13 which a person who is required to procure a distributor's
14 license proposes to engage in business as a distributor under
15 this Act.

16 (b) The following are ineligible to receive a
17 distributor's license under this Section:

18 (1) a person who is not of good character and
19 reputation in the community in which the person resides;
20 the Department may consider prior conviction of a felony
21 but, except as provided in paragraph (2), the conviction
22 shall not operate as an absolute bar to licensure;

23 (2) a person who has been convicted of a felony under
24 any federal or State law, if the Department, after
25 investigation and consideration of any mitigating factors
26 and evidence of rehabilitation contained in the

1 applicant's record, including those in Section 4i of the
2 Cigarette Tax Act, and hearing, if requested by the
3 applicant, determines that such person has not been
4 sufficiently rehabilitated to warrant the public trust and
5 the conviction will impair the ability of the person to
6 engage in the position for which a license is sought;

7 (3) a corporation, if any officer, manager, or
8 director thereof, or any stockholder or stockholders
9 owning in the aggregate more than 5% of the stock of such
10 corporation, would not be eligible to receive a license
11 under this Act for any reason;

12 (4) a person who has delinquent reports under Section
13 25 of the Tobacco Products Manufacturers' Escrow
14 Enforcement Act of 2003; or

15 (5) a person, or any person who owns more than 15% of
16 the ownership interests in a person or a related party
17 who:

18 (A) owes, at the time of application, any
19 delinquent taxes that have been determined by law to
20 be due and unpaid under this Act or any other tax Act
21 administered by the Department, unless the license
22 applicant has entered into an agreement approved by
23 the Department to pay the amount due;

24 (B) had a license under this Act, the Cigarette
25 Tax Act, the Cigarette Use Tax Act, or the Cigarette
26 Machine Operator's Occupation Tax Act revoked within

1 the past 2 years by the Department for misconduct
2 relating to stolen or contraband cigarettes or has
3 been convicted of a State or federal crime, punishable
4 by imprisonment of one year or more, relating to
5 stolen or contraband cigarettes;

6 (C) manufactures cigarettes, whether in this State
7 or out of this State, and who is neither (i) a
8 participating manufacturer as defined in subsection
9 II(jj) of the "Master Settlement Agreement" as defined
10 in Sections 10 of the Tobacco Product Manufacturers'
11 Escrow Act and the Tobacco Products Manufacturers'
12 Escrow Enforcement Act of 2003; nor (ii) in full
13 compliance with Tobacco Product Manufacturers' Escrow
14 Act and the Tobacco Products Manufacturers' Escrow
15 Enforcement Act of 2003;

16 (D) has been found by the Department, after notice
17 and a hearing, to have imported or caused to be
18 imported into the United States for sale or
19 distribution any cigarette in violation of 19 U.S.C.
20 1681a;

21 (E) has been found by the Department, after notice
22 and a hearing, to have imported or caused to be
23 imported into the United States for sale or
24 distribution or manufactured for sale or distribution
25 in the United States any cigarette that does not fully
26 comply with the Federal Cigarette Labeling and

1 Advertising Act (15 U.S.C. 1331, et seq.); or

2 (F) has been found by the Department, after notice
3 and a hearing, to have made a materially false
4 statement in the application or has failed to produce
5 records required to be maintained by this Act.

6 (c) The Department, upon receipt of an application and
7 bond, if required, in proper form, from a person who is
8 eligible to receive a distributor's license shall issue to the
9 applicant a license, in a form prescribed by the Department.
10 The license ~~, which shall allow permit the applicant to whom it~~
11 ~~is issued~~ to engage in business as a distributor at the place
12 shown on the ~~his or her~~ application. ~~The license shall be~~
13 ~~issued by the Department without charge or cost to the~~
14 ~~applicant.~~ No license issued under this Section ~~Act~~ is
15 transferable or assignable. The license shall be conspicuously
16 displayed in the place of business conducted by the licensee
17 under the license. No distributor licensee acquires any vested
18 interest or compensable property right in a license issued
19 under this Section.

20 Licenses issued by the Department under this Section ~~Act~~
21 shall be valid for a period not to exceed one year after
22 issuance unless sooner revoked, canceled, or suspended as
23 provided in this Act.

24 A licensed distributor shall notify the Department of any
25 change in the information contained on the application form,
26 including any change in ownership and shall do so within 30

1 days after any such change ~~No license shall be issued to any~~
2 ~~person who is in default to the State of Illinois for moneys~~
3 ~~due under this Act or any other tax Act administered by the~~
4 ~~Department.~~

5 The Department shall discharge any surety and shall
6 release and return any bond provided to it by a taxpayer under
7 this Section within 90 days after:

8 (1) the taxpayer becomes a prior continuous compliance
9 taxpayer; or

10 (2) the taxpayer has ceased to collect receipts on
11 which the taxpayer is required to remit the tax under this
12 Act to the Department, has filed a final tax return, and
13 has paid to the Department an amount sufficient to
14 discharge his remaining tax liability as determined by the
15 Department under this Act.

16 For the purposes of item (2), the Department shall make a
17 final determination of the taxpayer's outstanding tax
18 liability as expeditiously as possible after the taxpayer's
19 final tax return under this Act has been filed. If the
20 Department will be unable to make such a final determination
21 within 45 days after receiving the taxpayer's final tax
22 return, then the Department shall notify the taxpayer within
23 that 45-day period stating the reasons why it is unable to make
24 the final determination within that 45-day period.

25 The Department may, in its discretion, upon application,
26 authorize the payment of the tax imposed under Section 10-10

1 by any distributor or manufacturer not otherwise subject to
2 the tax imposed under this Act who, to the satisfaction of the
3 Department, furnishes adequate security to ensure payment of
4 the tax. The distributor or manufacturer shall be issued,
5 without charge, a license to remit the tax. When so
6 authorized, it shall be the duty of the distributor or
7 manufacturer to remit the tax imposed upon the wholesale price
8 of tobacco products sold or otherwise disposed of to retailers
9 or consumers located in this State, in the same manner and
10 subject to the same requirements as any other distributor or
11 manufacturer licensed under this Act.

12 The Department may revoke, suspend, or cancel the license
13 of a distributor of roll-your-own tobacco, ~~as~~ as that term is
14 used in Section 10 of the Tobacco Product Manufacturers'
15 Escrow Act, ~~under~~ under this Act if the tobacco product
16 manufacturer, as defined in Section 10 of the Tobacco Product
17 Manufacturers' Escrow Act, that made or sold the roll-your-own
18 tobacco has failed to become a participating manufacturer, as
19 defined in subdivision (a)(1) of Section 15 of the Tobacco
20 Product Manufacturers' Escrow Act, or has failed to create a
21 qualified escrow fund for any roll-your-own tobacco
22 manufactured by the tobacco product manufacturer and sold in
23 this State or otherwise failed to bring itself into compliance
24 with subdivision (a)(2) of Section 15 of the Tobacco Product
25 Manufacturers' Escrow Act.

26 Any applicant applying for a distributor's license after

1 the applicant's distributor's license has been revoked by the
2 Department shall also file a bond with the Department in an
3 amount equal to 3 times the amount of the applicant's average
4 monthly tax liability under this Act, as that average monthly
5 tax liability was calculated immediately prior to the
6 revocation of the applicant's distributor's license.

7 Any person aggrieved by any decision of the Department
8 under this Section may, within 30 ~~20~~ days after notice of the
9 ~~that~~ decision, protest and request a hearing, whereupon the
10 Department must give notice to that person of the time and
11 place fixed for the hearing and must hold a hearing in
12 conformity with the provisions of this Act and then issue its
13 final administrative decision in the matter to that person. In
14 the absence of such a protest within 30 ~~20~~ days, the
15 Department's decision becomes final without any further
16 determination being made or notice given.

17 (Source: P.A. 103-1001, eff. 8-9-24; 103-1055, eff. 12-20-24.)

18 (35 ILCS 143/10-21)

19 Sec. 10-21. Retailer's license. Beginning on January 1,
20 2016, no person may engage in business as a retailer of tobacco
21 products in this State without first having obtained a license
22 from the Department. Application for license shall be made to
23 the Department, by electronic means, in a form prescribed by
24 the Department. Each applicant for a license under this
25 Section shall furnish to the Department, in a form signed and

1 verified by the applicant under penalty of perjury, in an
2 electronic format established by the Department, the following
3 information:

4 (1) the name and address of the applicant;

5 (2) the address of the location at which the applicant
6 proposes to engage in business as a retailer of tobacco
7 products in this State;

8 (3) such other additional information as the
9 Department may reasonably ~~lawfully~~ require by its rules
10 ~~and regulations~~.

11 The annual license fee payable to the Department for each
12 retailer's license shall be \$150. The fee will be deposited
13 into the Tax Compliance and Administration Fund and shall be
14 used for the cost of tobacco retail inspection and contraband
15 tobacco and tobacco smuggling with at least two-thirds of the
16 money being used for contraband tobacco and tobacco smuggling
17 operations and enforcement.

18 Each applicant for license shall pay such fee to the
19 Department at the time of submitting its application for
20 license to the Department. The Department shall require an
21 applicant for a license under this Section to electronically
22 file and pay the fee.

23 A separate application for license shall be made and a
24 separate annual license fee shall be paid for each place of
25 business at which a person who is required to procure a
26 retailer's license under this Section proposes to engage in

1 business as a retailer in Illinois under this Section Act.

2 The following are ineligible to receive a retailer's
3 license under this Act:

4 (1) a person who has been convicted of a felony under
5 any federal or State law for smuggling cigarettes or
6 tobacco products or tobacco tax evasion, if the
7 Department, after investigation and a hearing if requested
8 by the applicant, determines that such person has not been
9 sufficiently rehabilitated to warrant the public trust;
10 and

11 (2) a corporation, if any officer, manager, or
12 director thereof, or any stockholder or stockholders
13 owning in the aggregate more than 5% of the stock of such
14 corporation, would not be eligible to receive a license
15 under this Act for any reason; a limited liability
16 company, if any member or managing member would not be
17 eligible to receive a license under this Act for any
18 reason; a partnership, if any partner would not be
19 eligible to receive a license under this Act for any
20 reason.

21 The Department, upon receipt of an application and license
22 fee, in proper form, from a person who is eligible to receive a
23 retailer's license under this Act, shall issue to such
24 applicant a license in form as prescribed by the Department,
25 which license shall permit the applicant to which it is issued
26 to engage in business as a retailer under this Act at the place

1 shown in the ~~his~~ application. All licenses issued by the
2 Department under this Section shall be valid for a period not
3 to exceed one year after issuance unless sooner revoked,
4 canceled or suspended as provided in this Act. No license
5 issued under this Section is transferable or assignable. Such
6 license shall be conspicuously displayed in the place of
7 business conducted by the licensee in Illinois under such
8 license. No licensee acquires any vested interest or
9 compensable property right in a license issued under this
10 Section.

11 A licensed retailer shall notify the Department of any
12 change in the information contained on the application form,
13 including any change in ownership and shall do so within 30
14 days after any such change.

15 A person who obtains a license as a retailer who ceases to
16 do business as specified in the license, or who never
17 commenced business, or whose license is suspended or revoked,
18 shall immediately surrender the license to the Department. The
19 Department shall not issue a license to a retailer unless the
20 retailer is also validly registered under the Retailers'
21 ~~Retailers~~ Occupation Tax Act.

22 A retailer as defined under this Act need not obtain an
23 additional license under this Act, but shall be deemed to be
24 sufficiently licensed by virtue of ~~his~~ being properly licensed
25 as a retailer under Section 4g of the Cigarette Tax Act.

26 Any person aggrieved by any decision of the Department

1 under this Section may, within 30 days after notice of the
2 decision, protest and request a hearing. Upon receiving a
3 request for a hearing, the Department shall give notice to the
4 person requesting the hearing of the time and place fixed for
5 the hearing and shall hold a hearing in conformity with the
6 provisions of this Act and then issue its final administrative
7 decision in the matter to that person. In the absence of a
8 protest and request for a hearing within 30 days, the
9 Department's decision shall become final without any further
10 determination being made or notice given.

11 (Source: P.A. 104-6, eff. 7-1-25.)

12 (35 ILCS 143/10-25)

13 Sec. 10-25. License actions.

14 (a) The Department may, after notice and a hearing,
15 revoke, cancel, or suspend the license of any distributor or
16 retailer who ~~violates any of the provisions of this Act,~~ fails
17 to keep books and records as required under this Act, fails to
18 make books and records available for inspection upon demand by
19 a duly authorized employee of the Department, or violates a
20 rule ~~or regulation~~ of the Department for the administration
21 and enforcement of this Act. The notice shall specify the
22 alleged violation or violations upon which the revocation,
23 cancellation, or suspension proceeding is based.

24 (b) The Department may, after notice and hearing as
25 provided for by this Act, revoke, cancel, or suspend the

1 license of any distributor or retailer for the violation of
2 any provision of this Act, or for noncompliance with the
3 provisions of this Act, or for any noncompliance with any
4 lawful rule promulgated by the Department under this Act, or
5 because the licensee is determined to be ineligible for a
6 distributor's license for any one or more of the reasons
7 provided for in Section 10-20 of this Act, or because the
8 licensee is determined to be ineligible for a retailer's
9 license for any one or more of the reasons provided for in
10 Section 10-21 of this Act.

11 (b-5) The Department may revoke, cancel, or suspend the
12 license of any distributor for a violation of the Tobacco
13 Products Manufacturers' Escrow Enforcement Act of 2003 as
14 provided in Section 30 of that Act.

15 (c) If the retailer has a training program that
16 facilitates compliance with minimum-age tobacco laws, the
17 Department shall suspend for 3 days the license of that
18 retailer for a fourth or subsequent violation of the
19 Prevention of Tobacco Use by Persons under 21 Years of Age and
20 Sale and Distribution of Tobacco Products Act, as provided in
21 subsection (a) of Section 2 of that Act. For the purposes of
22 this Section, any violation of subsection (a) of Section 2 of
23 the Prevention of Tobacco Use by Persons under 21 Years of Age
24 and Sale and Distribution of Tobacco Products Act occurring at
25 the retailer's licensed location, during a 24-month period,
26 shall be counted as a violation against the retailer.

1 If the retailer does not have a training program that
2 facilitates compliance with minimum-age tobacco laws, the
3 Department shall suspend for 3 days the license of that
4 retailer for a second violation of the Prevention of Tobacco
5 Use by Persons under 21 Years of Age and Sale and Distribution
6 of Tobacco Products Act, as provided in subsection (a-5) of
7 Section 2 of that Act.

8 If the retailer does not have a training program that
9 facilitates compliance with minimum-age tobacco laws, the
10 Department shall suspend for 7 days the license of that
11 retailer for a third violation of the Prevention of Tobacco
12 Use by Persons under 21 Years of Age and Sale and Distribution
13 of Tobacco Products Act, as provided in subsection (a-5) of
14 Section 2 of that Act.

15 If the retailer does not have a training program that
16 facilitates compliance with minimum-age tobacco laws, the
17 Department shall suspend for 30 days the license of a retailer
18 for a fourth or subsequent violation of the Prevention of
19 Tobacco Use by Persons under 21 Years of Age and Sale and
20 Distribution of Tobacco Products Act, as provided in
21 subsection (a-5) of Section 2 of that Act.

22 A training program that facilitates compliance with
23 minimum-age tobacco laws must include at least the following
24 elements: (i) it must explain that only individuals displaying
25 valid identification demonstrating that they are 21 years of
26 age or older shall be eligible to purchase cigarettes or

1 tobacco products and (ii) it must explain where a clerk can
2 check identification for a date of birth. The training may be
3 conducted electronically. Each retailer that has a training
4 program shall require each employee who completes the training
5 program to sign a form attesting that the employee has
6 received and completed tobacco training. The form shall be
7 kept in the employee's file and may be used to provide proof of
8 training.

9 (c-5) Any distributor or retailer aggrieved by any
10 decision of the Department under this Section may, within 30
11 days after notice of the decision, protest and request a
12 hearing. Upon receiving a written request for a hearing, the
13 Department shall give notice in writing to the distributor or
14 retailer requesting the hearing that contains a statement of
15 the charges preferred against the distributor or retailer and
16 that states the time and place fixed for the hearing. The
17 Department shall hold the hearing in conformity with the
18 provisions of this Act and then issue its final administrative
19 decision in the matter to the distributor or retailer. In the
20 absence of a written protest and request for a hearing within
21 30 days, the Department's decision shall become final without
22 any further determination being made or notice given.

23 (c-10) No license so revoked shall be reissued to any
24 distributor or retailer for a period of 6 months after the date
25 of the final determination of such revocation. No license
26 shall be reissued at all so long as the person who would

1 receive the license is ineligible to receive a distributor's
2 license under this Act for any one or more of the reasons
3 provided for in Section 10-20 of this Act or a retailer's
4 license under this Act for any one or more of the reasons
5 provided for in Section 10-21 of this Act.

6 (d) The Department may, by application to any circuit
7 court, obtain an injunction restraining any person who engages
8 in business as a distributor of tobacco products without a
9 license (either because the ~~his or her~~ license has been
10 revoked, canceled, or suspended or because of a failure to
11 obtain a license in the first instance) from engaging in that
12 business until that person, as if that person were a new
13 applicant for a license, complies with all of the conditions,
14 restrictions, and requirements of Section 10-20 of this Act
15 and qualifies for and obtains a license. Refusal or neglect to
16 obey the order of the court may result in punishment for
17 contempt.

18 (e) The Department, upon complaint filed in the circuit
19 court, may, by injunction, restrain any person who fails or
20 refuses to comply with any of the provisions of this Act from
21 acting as a distributor or retailer in this State.

22 (Source: P.A. 104-6, eff. 6-16-25.)

23 (35 ILCS 143/10-55)

24 Sec. 10-55. Arrest; search and seizure without warrant.
25 Any duly authorized employee of the Department (i) may arrest

1 without warrant any person committing in his or her presence a
2 violation of any of the provisions of this Act, (ii) may
3 without a search warrant inspect all tobacco products located
4 in any place of business, (iii) may seize any tobacco products
5 possessed in violation ~~in accordance with the provisions~~ of
6 this Act, ~~and~~ (iv) may seize any vending device in which ~~those~~
7 tobacco products that violate this Act are found; and (v) may
8 seize any tobacco products on which the tax imposed under this
9 Act has not been paid. The tobacco products and vending
10 devices so seized are subject to confiscation and forfeiture
11 as provided in Sections 10-56 through 10-58.

12 (Source: P.A. 92-743, eff. 7-25-02.)

13 (35 ILCS 143/10-56)

14 Sec. 10-56. Seizure and forfeiture. After seizing any
15 tobacco products or vending devices, as provided in Section
16 10-55, the Department must hold a hearing and determine
17 whether (i) the distributor or retailer was properly licensed
18 to sell the tobacco products at the time of their seizure by
19 the Department; (ii) the possession of the tobacco products
20 was in violation of this Act; or (iii) the tax imposed by this
21 Act had been paid on the tobacco products. The Department is
22 not required to hold such a hearing if a waiver and consent to
23 forfeiture has been executed by the owner of the property, if
24 the owner is known, and by the person in whose possession the
25 property so taken was found, if that person is known and if

1 that person is not the owner of the property. The Department
2 shall give not less than 20 days' notice of the time and place
3 of the hearing to the owner of the property, if the owner is
4 known, and also to the person in whose possession the property
5 was found, if that person is known and if the person in
6 possession is not the owner of the property. If neither the
7 owner nor the person in possession of the property is known,
8 the Department must cause publication of the time and place of
9 the hearing to be made at least once in each week for 3 weeks
10 successively in a newspaper of general circulation in the
11 county where the hearing is to be held.

12 If, as the result of the hearing, the Department makes any
13 of the findings listed in (i) through (iii) above ~~determines~~
14 ~~that the distributor or retailer was not properly licensed at~~
15 ~~the time the tobacco products were seized,~~ or upon receipt of a
16 properly executed waiver and consent to forfeiture as provided
17 in this Section, the Department must enter an order declaring
18 the tobacco products or vending devices confiscated and
19 forfeited to the State, to be held by the Department for
20 disposal by it as provided in Section 10-58. The Department
21 must give notice of the order to the owner of the property, if
22 the owner is known, and also to the person in whose possession
23 the property was found, if that person is known and if the
24 person in possession is not the owner of the property. If
25 neither the owner nor the person in possession of the property
26 is known, the Department must cause publication of the order

1 to be made at least once in each week for 3 weeks successively
2 in a newspaper of general circulation in the county where the
3 hearing was held.

4 (Source: P.A. 103-1001, eff. 8-9-24.)

5 (35 ILCS 143/10-58)

6 Sec. 10-58. Sale of forfeited tobacco products or vending
7 devices.

8 (a) When any tobacco products or any vending devices are
9 declared forfeited to the State by the Department, as provided
10 in Section 10-55, and when all proceedings for the judicial
11 review of the Department's decision have terminated, the
12 Department shall, to the extent that its decision is sustained
13 on review, sell the property for the best price obtainable and
14 shall forthwith pay over the proceeds of the sale to the State
15 Treasurer. If the value of the property to be sold at any one
16 time is \$500 or more, however, the property shall be sold only
17 to the highest and best bidder on terms and conditions, and on
18 open competitive bidding after public advertisement, in a
19 manner and for terms as the Department, by rule, may
20 prescribe.

21 (b) If no complaint for review, as provided in Section 12
22 of the Retailers' Occupation Tax Act, has been filed within
23 the time required by law ~~law~~, and if no stay order has been
24 entered under that law ~~law~~, the Department shall proceed to
25 destroy, maintain and use in an undercover capacity, or sell

1 the property for the best price obtainable and shall forthwith
2 pay over the proceeds of the sale to the State Treasurer. If
3 the value of the property to be sold at any one time is \$500 or
4 more, however, the property shall be sold only to the highest
5 and best bidder on terms and conditions, and on open
6 competitive bidding after public advertisement, in a manner
7 and for terms as the Department, by rule, may prescribe.

8 (c) Upon making a sale of tobacco products as provided in
9 this Section, the Department shall affix a distinctive stamp
10 to each of the tobacco products so sold indicating that they
11 are sold under this Section.

12 (d) The cost of destruction shall be assessed against the
13 owner or the person in possession of the forfeited property.
14 Such cost shall be assessed regardless of whether the
15 forfeiture is determined by hearing or waiver.

16 (e) Notwithstanding the foregoing, any tobacco products
17 seized under this Act may, at the discretion of the Director of
18 Revenue, be distributed to any eleemosynary institution within
19 the State of Illinois.

20 (f) Any person aggrieved by any decision of the Department
21 under this Section may, within 30 days after notice of the
22 decision, protest and request a hearing. Upon receiving a
23 written request for a hearing, the Department shall give
24 notice to the person requesting the hearing of the time and
25 place fixed for the hearing and shall hold a hearing in
26 conformity with the provisions of this Act and then issue its

1 final administrative decision in the matter to that person. In
2 the absence of a protest and request for a hearing within 30
3 days, the Department's decision shall become final without any
4 further determination being made or notice given. If a hearing
5 has already been set pursuant to Section 10-25 or Section
6 10-56 of this Act, all issues related to the cost of
7 destruction shall be heard simultaneously.

8 (Source: P.A. 97-1129, eff. 8-28-12.)

9 ARTICLE 85

10 Section 85-5. The Illinois Gambling Act is amended by
11 changing Section 7 as follows:

12 (230 ILCS 10/7) (from Ch. 120, par. 2407)

13 Sec. 7. Owners licenses.

14 (a) The Board shall issue owners licenses to persons or
15 entities that apply for such licenses upon payment to the
16 Board of the non-refundable license fee as provided in
17 subsection (e) or (e-5) and upon a determination by the Board
18 that the applicant is eligible for an owners license pursuant
19 to this Act and the rules of the Board. From December 15, 2008
20 (the effective date of Public Act 95-1008) until (i) 3 years
21 after December 15, 2008 (the effective date of Public Act
22 95-1008), (ii) the date any organization licensee begins to
23 operate a slot machine or video game of chance under the

1 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
2 that payments begin under subsection (c-5) of Section 13 of
3 this Act, (iv) the wagering tax imposed under Section 13 of
4 this Act is increased by law to reflect a tax rate that is at
5 least as stringent or more stringent than the tax rate
6 contained in subsection (a-3) of Section 13, or (v) when an
7 owners licensee holding a license issued pursuant to Section
8 7.1 of this Act begins conducting gaming, whichever occurs
9 first, as a condition of licensure and as an alternative
10 source of payment for those funds payable under subsection
11 (c-5) of Section 13 of this Act, any owners licensee that holds
12 or receives its owners license on or after May 26, 2006 (the
13 effective date of Public Act 94-804), other than an owners
14 licensee operating a riverboat with adjusted gross receipts in
15 calendar year 2004 of less than \$200,000,000, must pay into
16 the Horse Racing Equity Trust Fund, in addition to any other
17 payments required under this Act, an amount equal to 3% of the
18 adjusted gross receipts received by the owners licensee. The
19 payments required under this Section shall be made by the
20 owners licensee to the State Treasurer no later than 3:00
21 ~~o'clock~~ p.m. of the day after the day when the adjusted gross
22 receipts were received by the owners licensee. A person or
23 entity is ineligible to receive an owners license if:

- 24 (1) the person has been convicted of a felony under
25 the laws of this State, any other state, or the United
26 States;

1 (2) the person has been convicted of any violation of
2 Article 28 of the Criminal Code of 1961 or the Criminal
3 Code of 2012, or substantially similar laws of any other
4 jurisdiction;

5 (3) the person has submitted an application for a
6 license under this Act which contains false information;

7 (4) the person is a member of the Board;

8 (5) a person defined in (1), (2), (3), or (4) is an
9 officer, director, or managerial employee of the entity;

10 (6) the entity employs a person defined in (1), (2),
11 (3), or (4) who participates in the management or
12 operation of gambling operations authorized under this
13 Act;

14 (7) (blank); or

15 (8) a license of the person or entity issued under
16 this Act, or a license to own or operate gambling
17 facilities in any other jurisdiction, has been revoked.

18 The Board is expressly prohibited from making changes to
19 the requirement that licensees make payment into the Horse
20 Racing Equity Trust Fund without the express authority of the
21 Illinois General Assembly and making any other rule to
22 implement or interpret Public Act 95-1008. For the purposes of
23 this paragraph, "rules" is given the meaning given to that
24 term in Section 1-70 of the Illinois Administrative Procedure
25 Act.

26 (b) In determining whether to grant an owners license to

1 an applicant, the Board shall consider:

2 (1) the character, reputation, experience, and
3 financial integrity of the applicants and of any other or
4 separate person that either:

5 (A) controls, directly or indirectly, such
6 applicant; or

7 (B) is controlled, directly or indirectly, by such
8 applicant or by a person which controls, directly or
9 indirectly, such applicant;

10 (2) the facilities or proposed facilities for the
11 conduct of gambling;

12 (3) the highest prospective total revenue to be
13 derived by the State from the conduct of gambling;

14 (4) the extent to which the ownership of the applicant
15 reflects the diversity of the State by including minority
16 persons, women, and persons with a disability and the good
17 faith affirmative action plan of each applicant to
18 recruit, train, and upgrade minority persons, women, and
19 persons with a disability in all employment
20 classifications; the Board shall further consider granting
21 an owners license and giving preference to an applicant
22 under this Section to applicants in which minority persons
23 and women hold ownership interest of at least 16% and 4%,
24 respectively;

25 (4.5) the extent to which the ownership of the
26 applicant includes veterans of service in the armed forces

1 of the United States, and the good faith affirmative
2 action plan of each applicant to recruit, train, and
3 upgrade veterans of service in the armed forces of the
4 United States in all employment classifications;

5 (5) the financial ability of the applicant to purchase
6 and maintain adequate liability and casualty insurance;

7 (6) whether the applicant has adequate capitalization
8 to provide and maintain, for the duration of a license, a
9 riverboat or casino;

10 (7) the extent to which the applicant exceeds or meets
11 other standards for the issuance of an owners license
12 which the Board may adopt by rule;

13 (8) the amount of the applicant's license bid;

14 (9) the extent to which the applicant or the proposed
15 host municipality plans to enter into revenue sharing
16 agreements with communities other than the host
17 municipality;

18 (10) the extent to which the ownership of an applicant
19 includes the most qualified number of minority persons,
20 women, and persons with a disability; and

21 (11) whether the applicant has entered into a fully
22 executed construction project labor agreement with the
23 applicable local building trades council.

24 (c) Each owners license shall specify the place where the
25 casino shall operate or the riverboat shall operate and dock.

26 (d) Each applicant shall submit with his or her

1 application, on forms provided by the Board, 2 sets of his or
2 her fingerprints.

3 (e) In addition to any licenses authorized under
4 subsection (e-5) of this Section, the Board may issue up to 10
5 licenses authorizing the holders of such licenses to own
6 riverboats. In the application for an owners license, the
7 applicant shall state the dock at which the riverboat is based
8 and the water on which the riverboat will be located. The Board
9 shall issue 5 licenses to become effective not earlier than
10 January 1, 1991. Three of such licenses shall authorize
11 riverboat gambling on the Mississippi River, or, with approval
12 by the municipality in which the riverboat was docked on
13 August 7, 2003 and with Board approval, be authorized to
14 relocate to a new location, in a municipality that (1) borders
15 on the Mississippi River or is within 5 miles of the city
16 limits of a municipality that borders on the Mississippi River
17 and (2) on August 7, 2003, had a riverboat conducting
18 riverboat gambling operations pursuant to a license issued
19 under this Act; one of which shall authorize riverboat
20 gambling from a home dock in the city of East St. Louis; and
21 one of which shall authorize riverboat gambling from a home
22 dock in the City of Alton. One other license shall authorize
23 riverboat gambling on the Illinois River in the City of East
24 Peoria or, with Board approval, shall authorize land-based
25 gambling operations anywhere within the corporate limits of
26 the City of Peoria. The Board shall issue one additional

1 license to become effective not earlier than March 1, 1992,
2 which shall authorize riverboat gambling on the Des Plaines
3 River in Will County. The Board may issue 4 additional
4 licenses to become effective not earlier than March 1, 1992.
5 In determining the water upon which riverboats will operate,
6 the Board shall consider the economic benefit which riverboat
7 gambling confers on the State~~7~~ and shall seek to ensure ~~assure~~
8 that all regions of the State share in the economic benefits of
9 riverboat gambling.

10 In granting all licenses, the Board may give favorable
11 consideration to economically depressed areas of the State, to
12 applicants presenting plans which provide for significant
13 economic development over a large geographic area, and to
14 applicants who currently operate non-gambling riverboats in
15 Illinois. The Board shall review all applications for owners
16 licenses~~7~~ and shall inform each applicant of the Board's
17 decision. The Board may grant an owners license to an
18 applicant that has not submitted the highest license bid, but
19 if it does not select the highest bidder, the Board shall issue
20 a written decision explaining why another applicant was
21 selected and identifying the factors set forth in this Section
22 that favored the winning bidder. The fee for issuance or
23 renewal of a license pursuant to this subsection (e) shall be
24 \$250,000.

25 (e-5) In addition to licenses authorized under subsection
26 (e) of this Section:

1 (1) the Board may issue one owners license authorizing
2 the conduct of casino gambling in the City of Chicago;

3 (2) the Board may issue one owners license authorizing
4 the conduct of riverboat gambling in the City of Danville;

5 (3) the Board may issue one owners license authorizing
6 the conduct of riverboat gambling in the City of Waukegan;

7 (4) the Board may issue one owners license authorizing
8 the conduct of riverboat gambling in the City of Rockford;

9 (5) the Board may issue one owners license authorizing
10 the conduct of riverboat gambling in a municipality that
11 is wholly or partially located in one of the following
12 townships of Cook County: Bloom, Bremen, Calumet, Rich,
13 Thornton, or Worth Township; and

14 (6) the Board may issue one owners license authorizing
15 the conduct of riverboat gambling in the unincorporated
16 area of Williamson County adjacent to the Big Muddy River.

17 Except for the license authorized under paragraph (1),
18 each application for a license pursuant to this subsection
19 (e-5) shall be submitted to the Board no later than 120 days
20 after June 28, 2019 (the effective date of Public Act 101-31).
21 All applications for a license under this subsection (e-5)
22 shall include the nonrefundable application fee and the
23 nonrefundable background investigation fee as provided in
24 subsection (d) of Section 6 of this Act. In the event that an
25 applicant submits an application for a license pursuant to
26 this subsection (e-5) prior to June 28, 2019 (the effective

1 date of Public Act 101-31), such applicant shall submit the
2 nonrefundable application fee and background investigation fee
3 as provided in subsection (d) of Section 6 of this Act no later
4 than 6 months after June 28, 2019 (the effective date of Public
5 Act 101-31).

6 The Board shall consider issuing a license pursuant to
7 paragraphs (1) through (6) of this subsection only after the
8 corporate authority of the municipality or the county board of
9 the county in which the riverboat or casino shall be located
10 has certified to the Board the following:

11 (i) that the applicant has negotiated with the
12 corporate authority or county board in good faith;

13 (ii) that the applicant and the corporate authority or
14 county board have mutually agreed on the permanent
15 location of the riverboat or casino;

16 (iii) that the applicant and the corporate authority
17 or county board have mutually agreed on the temporary
18 location of the riverboat or casino;

19 (iv) that the applicant and the corporate authority or
20 the county board have mutually agreed on the percentage of
21 revenues that will be shared with the municipality or
22 county, if any;

23 (v) that the applicant and the corporate authority or
24 county board have mutually agreed on any zoning,
25 licensing, public health, or other issues that are within
26 the jurisdiction of the municipality or county;

1 (vi) that the corporate authority or county board has
2 passed a resolution or ordinance in support of the
3 riverboat or casino in the municipality or county;

4 (vii) that the applicant for a license under paragraph
5 (1) has made a public presentation concerning its casino
6 proposal; and

7 (viii) that the applicant for a license under
8 paragraph (1) has prepared a summary of its casino
9 proposal and such summary has been posted on a public
10 website of the municipality or the county.

11 At least 7 days before the corporate authority of a
12 municipality or county board of the county submits a
13 certification to the Board concerning items (i) through (viii)
14 of this subsection, it shall hold a public hearing to discuss
15 items (i) through (viii), as well as any other details
16 concerning the proposed riverboat or casino in the
17 municipality or county. The corporate authority or county
18 board must subsequently memorialize the details concerning the
19 proposed riverboat or casino in a resolution that must be
20 adopted by a majority of the corporate authority or county
21 board before any certification is sent to the Board. The Board
22 shall not alter, amend, change, or otherwise interfere with
23 any agreement between the applicant and the corporate
24 authority of the municipality or county board of the county
25 regarding the location of any temporary or permanent facility.

26 In addition, within 10 days after June 28, 2019 (the

1 effective date of Public Act 101-31), the Board, with consent
2 and at the expense of the City of Chicago, shall select and
3 retain the services of a nationally recognized casino gaming
4 feasibility consultant. Within 45 days after June 28, 2019
5 (the effective date of Public Act 101-31), the consultant
6 shall prepare and deliver to the Board a study concerning the
7 feasibility of, and the ability to finance, a casino in the
8 City of Chicago. The feasibility study shall be delivered to
9 the Mayor of the City of Chicago, the Governor, the President
10 of the Senate, and the Speaker of the House of
11 Representatives. Ninety days after receipt of the feasibility
12 study, the Board shall make a determination, based on the
13 results of the feasibility study, whether to recommend to the
14 General Assembly that the terms of the license under paragraph
15 (1) of this subsection (e-5) should be modified. The Board may
16 begin accepting applications for the owners license under
17 paragraph (1) of this subsection (e-5) upon the determination
18 to issue such an owners license.

19 In addition, prior to the Board issuing the owners license
20 authorized under paragraph (4) of this subsection (e-5), an
21 impact study shall be completed to determine what location in
22 the city will provide the greater impact to the region,
23 including the creation of jobs and the generation of tax
24 revenue.

25 (e-10) The licenses authorized under subsection (e-5) of
26 this Section shall be issued within 12 months after the date

1 the license application is submitted. If the Board does not
2 issue the licenses within that time period, then the Board
3 shall give a written explanation to the applicant as to why it
4 has not reached a determination and when it reasonably expects
5 to make a determination. The fee for the issuance or renewal of
6 a license issued pursuant to this subsection (e-10) shall be
7 \$250,000. Additionally, a licensee located outside of Cook
8 County shall pay a minimum initial fee of \$17,500 per gaming
9 position, and a licensee located in Cook County shall pay a
10 minimum initial fee of \$30,000 per gaming position. The
11 initial fees payable under this subsection (e-10) shall be
12 deposited into the Rebuild Illinois Projects Fund. If at any
13 point after June 1, 2020 there are no pending applications for
14 a license under subsection (e-5) and not all licenses
15 authorized under subsection (e-5) have been issued, then the
16 Board shall reopen the license application process for those
17 licenses authorized under subsection (e-5) that have not been
18 issued. The Board shall follow the licensing process provided
19 in subsection (e-5) with all time frames tied to the last date
20 of a final order issued by the Board under subsection (e-5)
21 rather than the effective date of the amendatory Act.

22 (e-15) Each licensee of a license authorized under
23 subsection (e-5) of this Section shall make a reconciliation
24 payment 3 years after the date the licensee begins operating
25 in an amount equal to 75% of the adjusted gross receipts for
26 the most lucrative 12-month period of operations, minus an

1 amount equal to the initial payment per gaming position paid
2 by the specific licensee. Each licensee shall pay a
3 \$15,000,000 reconciliation fee upon issuance of an owners
4 license. If this calculation results in a negative amount,
5 then the licensee is not entitled to any reimbursement of fees
6 previously paid. This reconciliation payment may be made in
7 installments over a period of no more than 6 years.

8 All payments by licensees under this subsection (e-15)
9 shall be deposited into the Rebuild Illinois Projects Fund.

10 (e-20) In addition to any other revocation powers granted
11 to the Board under this Act, the Board may revoke the owners
12 license of a licensee which fails to begin conducting gambling
13 within 15 months of receipt of the Board's approval of the
14 application if the Board determines that license revocation is
15 in the best interests of the State.

16 (f) The first 10 owners licenses issued under this Act
17 shall permit the holder to own up to 2 riverboats and equipment
18 thereon for a period of 3 years after the effective date of the
19 license. Holders of the first 10 owners licenses must pay the
20 annual license fee for each of the 3 years during which they
21 are authorized to own riverboats.

22 (g) Upon the termination, expiration, or revocation of
23 each of the first 10 licenses, which shall be issued for a
24 3-year period, all licenses are renewable annually upon
25 payment of the fee and a determination by the Board that the
26 licensee continues to meet all of the requirements of this Act

1 and the Board's rules. However, for licenses renewed on or
2 after June 10, 2021 (the effective date of Public Act 102-13)
3 ~~this amendatory Act of the 102nd General Assembly~~, renewal
4 shall be for a period of 4 years.

5 (h) An owners license, except for an owners license issued
6 under subsection (e-5) of this Section, shall entitle the
7 licensee to own up to 2 riverboats.

8 An owners licensee of a casino or riverboat that is
9 located in the City of Chicago pursuant to paragraph (1) of
10 subsection (e-5) of this Section shall limit the number of
11 gaming positions to 4,000 for such owner. An owners licensee
12 authorized under subsection (e) or paragraph (2), (3), (4), or
13 (5) of subsection (e-5) of this Section shall limit the number
14 of gaming positions to 2,000 for any such owners license. An
15 owners licensee authorized under paragraph (6) of subsection
16 (e-5) of this Section shall limit the number of gaming
17 positions to 1,200 for such owner. The initial fee for each
18 gaming position obtained on or after June 28, 2019 (the
19 effective date of Public Act 101-31) shall be a minimum of
20 \$17,500 for licensees not located in Cook County and a minimum
21 of \$30,000 for licensees located in Cook County, in addition
22 to the reconciliation payment, as set forth in subsection
23 (e-15) of this Section. The fees under this subsection (h)
24 shall be deposited into the Rebuild Illinois Projects Fund.
25 The fees under this subsection (h) that are paid by an owners
26 licensee authorized under subsection (e) shall be paid by July

1 1, 2021.

2 Each owners licensee under subsection (e) of this Section
3 shall reserve its gaming positions within 30 days after June
4 28, 2019 (the effective date of Public Act 101-31). The Board
5 may grant an extension to this 30-day period, provided that
6 the owners licensee submits a written request and explanation
7 as to why it is unable to reserve its positions within the
8 30-day period.

9 Each owners licensee under subsection (e-5) of this
10 Section shall reserve its gaming positions within 30 days
11 after issuance of its owners license. The Board may grant an
12 extension to this 30-day period, provided that the owners
13 licensee submits a written request and explanation as to why
14 it is unable to reserve its positions within the 30-day
15 period.

16 A licensee may operate both of its riverboats
17 concurrently, provided that the total number of gaming
18 positions on both riverboats does not exceed the limit
19 established pursuant to this subsection. Riverboats licensed
20 to operate on the Mississippi River and the Illinois River
21 south of Marshall County shall have an authorized capacity of
22 at least 500 persons. Any other riverboat licensed under this
23 Act shall have an authorized capacity of at least 400 persons.

24 (h-5) An owners licensee who conducted gambling operations
25 prior to January 1, 2012 and obtains positions pursuant to
26 Public Act 101-31 shall make a reconciliation payment 3 years

1 after any additional gaming positions begin operating in an
2 amount equal to 75% of the owners licensee's average gross
3 receipts for the most lucrative 12-month period of operations
4 minus an amount equal to the initial fee that the owners
5 licensee paid per additional gaming position. For purposes of
6 this subsection (h-5), "average gross receipts" means (i) the
7 increase in adjusted gross receipts for the most lucrative
8 12-month period of operations over the adjusted gross receipts
9 for 2019, multiplied by (ii) the percentage derived by
10 dividing the number of additional gaming positions that an
11 owners licensee had obtained by the total number of gaming
12 positions operated by the owners licensee. If this calculation
13 results in a negative amount, then the owners licensee is not
14 entitled to any reimbursement of fees previously paid. This
15 reconciliation payment may be made in installments over a
16 period of no more than 6 years. These reconciliation payments
17 shall be deposited into the Rebuild Illinois Projects Fund.

18 (i) A licensed owner is authorized to apply to the Board
19 for and, if approved therefor, to receive all licenses from
20 the Board necessary for the operation of a riverboat or
21 casino, including a liquor license, a license to prepare and
22 serve food for human consumption, and other necessary
23 licenses. All use, occupation, and excise taxes which apply to
24 the sale of food and beverages in this State and all taxes
25 imposed on the sale or use of tangible personal property apply
26 to such sales aboard the riverboat or in the casino.

1 (j) The Board may issue or re-issue a license authorizing
2 a riverboat to dock in a municipality or approve a relocation
3 under Section 11.2 only if, prior to the issuance or
4 re-issuance of the license or approval, the governing body of
5 the municipality in which the riverboat will dock has by a
6 majority vote approved the docking of riverboats in the
7 municipality. The Board may issue or re-issue a license
8 authorizing a riverboat to dock in areas of a county outside
9 any municipality or approve a relocation under Section 11.2
10 only if, prior to the issuance or re-issuance of the license or
11 approval, the governing body of the county has by a majority
12 vote approved of the docking of riverboats within such areas.

13 (k) An owners licensee may conduct land-based gambling
14 operations upon approval by the Board and payment of a fee of
15 \$250,000, which shall be deposited into the State Gaming Fund.

16 (l) An owners licensee may conduct gaming at a temporary
17 facility pending the construction of a permanent facility or
18 the remodeling or relocation of an existing facility to
19 accommodate gaming participants for up to 24 months after the
20 temporary facility begins to conduct gaming. Upon request by
21 an owners licensee and upon a showing of good cause by the
22 owners licensee: (i) for a licensee authorized under paragraph
23 (3) of subsection (e-5), upon payment of an administrative fee
24 of \$10,000, the Board may ~~shall~~ extend the period during which
25 the licensee may conduct gaming at a temporary facility by up
26 to 48 ~~30~~ months; ~~and~~ (ii) for a licensee authorized under

1 paragraph (1) of subsection (e-5), upon payment of an
2 administrative fee of \$10,000, the Board may extend the period
3 during which the licensee may conduct gaming at a temporary
4 facility by up to 18 months, and the Board may authorize no
5 more than 2 additional 3-month extensions; and (iii) for all
6 other licensees, the Board shall extend the period during
7 which the licensee may conduct gaming at a temporary facility
8 by up to 12 months. The Board shall make rules concerning the
9 conduct of gaming from temporary facilities.

10 (Source: P.A. 102-13, eff. 6-10-21; 102-558, eff. 8-20-21;
11 103-574, eff. 12-8-23; revised 6-26-25.)

12 ARTICLE 95

13 Section 95-5. The Illinois Vehicle Code is amended by
14 changing Sections 15-111 and 15-312 as follows:

15 (625 ILCS 5/15-111) (from Ch. 95 1/2, par. 15-111)

16 (Text of Section before amendment by P.A. 104-436)

17 Sec. 15-111. Wheel and axle loads and gross weights.

18 (a) No vehicle or combination of vehicles with pneumatic
19 tires may be operated, unladen or with load, when the total
20 weight on the road surface exceeds the following: 20,000
21 pounds on a single axle; 34,000 pounds on a tandem axle with no
22 axle within the tandem exceeding 20,000 pounds; 80,000 pounds
23 gross weight for vehicle combinations of 5 or more axles; or a

total weight on a group of 2 or more consecutive axles in excess of that weight produced by the application of the following formula: $W = 500 \text{ times the sum of } (LN \text{ divided by } N-1) + 12N + 36$, where "W" equals overall total weight on any group of 2 or more consecutive axles to the nearest 500 pounds, "L" equals the distance measured to the nearest foot between extremes of any group of 2 or more consecutive axles, and "N" equals the number of axles in the group under consideration.

The above formula when expressed in tabular form results in allowable loads as follows:

Distance measured						
to the nearest						
foot between the						
extremes of any		Maximum weight in pounds				
group of 2 or		of any group of				
more consecutive		2 or more consecutive axles				
axles						
feet	2 axles	3 axles	4 axles	5 axles	6 axles	
4	34,000					
5	34,000					
6	34,000					
7	34,000					
8	34,000*	34,000				
Between 8						
and 9	38,000	42,000				

1	9	39,000	42,500			
2	10	40,000	43,500			
3	11		44,000			
4	12		45,000	50,000		
5	13		45,500	50,500		
6	14		46,500	51,500		
7	15		47,000	52,000		
8	16		48,000	52,500	58,000	
9	17		48,500	53,500	58,500	
10	18		49,500	54,000	59,000	
11	19		50,000	54,500	60,000	
12	20		51,000	55,500	60,500	66,000
13	21		51,500	56,000	61,000	66,500
14	22		52,500	56,500	61,500	67,000
15	23		53,000	57,500	62,500	68,000
16	24		54,000	58,000	63,000	68,500
17	25		54,500	58,500	63,500	69,000
18	26		55,500	59,500	64,000	69,500
19	27		56,000	60,000	65,000	70,000
20	28		57,000	60,500	65,500	71,000
21	29		57,500	61,500	66,000	71,500
22	30		58,500	62,000	66,500	72,000
23	31		59,000	62,500	67,500	72,500
24	32		60,000	63,500	68,000	73,000
25	33			64,000	68,500	74,000
26	34			64,500	69,000	74,500

1	35	65,500	70,000	75,000
2	36	66,000**	70,500	75,500
3	37	66,500**	71,000	76,000
4	38	67,500**	72,000	77,000
5	39	68,000	72,500	77,500
6	40	68,500	73,000	78,000
7	41	69,500	73,500	78,500
8	42	70,000	74,000	79,000
9	43	70,500	75,000	80,000
10	44	71,500	75,500	
11	45	72,000	76,000	
12	46	72,500	76,500	
13	47	73,500	77,500	
14	48	74,000	78,000	
15	49	74,500	78,500	
16	50	75,500	79,000	
17	51	76,000	80,000	
18	52	76,500		
19	53	77,500		
20	54	78,000		
21	55	78,500		
22	56	79,500		
23	57	80,000		

24 *If the distance between 2 axles is 96 inches or less, the 2
25 axles are tandem axles and the maximum total weight may not
26 exceed 34,000 pounds, notwithstanding the higher limit

1 resulting from the application of the formula.

2 **Two consecutive sets of tandem axles may carry 34,000 pounds
3 each if the overall distance between the first and last axles
4 of these tandems is 36 feet or more.

5 Vehicles not in a combination having more than 4 axles may
6 not exceed the weight in the table in this subsection (a) for 4
7 axles measured between the extreme axles of the vehicle.

8 Vehicles in a combination having more than 6 axles may not
9 exceed the weight in the table in this subsection (a) for 6
10 axles measured between the extreme axles of the combination.

11 Local authorities, with respect to streets and highways
12 under their jurisdiction, without additional fees, may also by
13 ordinance or resolution allow the weight limitations of this
14 subsection, provided the maximum gross weight on any one axle
15 shall not exceed 20,000 pounds and the maximum total weight on
16 any tandem axle shall not exceed 34,000 pounds, on designated
17 highways when appropriate regulatory signs giving notice are
18 erected upon the street or highway or portion of any street or
19 highway affected by the ordinance or resolution.

20 The following are exceptions to the above formula:

21 (1) Vehicles for which a different limit is
22 established and posted in accordance with Section 15-316
23 of this Code.

24 (2) Vehicles for which the Department of
25 Transportation and local authorities issue overweight
26 permits under authority of Section 15-301 of this Code.

1 These vehicles are not subject to the bridge formula.

2 (3) Cities having a population of more than 50,000 may
3 permit by ordinance axle loads on 2-axle motor vehicles 33
4 1/2% above those provided for herein, but the increase
5 shall not become effective until the city has officially
6 notified the Department of the passage of the ordinance
7 and shall not apply to those vehicles when outside of the
8 limits of the city, nor shall the gross weight of any
9 2-axle motor vehicle operating over any street of the city
10 exceed 40,000 pounds.

11 (4) Weight limitations shall not apply to vehicles
12 (including loads) operated by a public utility when
13 transporting equipment required for emergency repair of
14 public utility facilities or properties or water wells.

15 (4.5) A 3-axle or 4-axle vehicle (including when
16 laden) operated or hired by a municipality within Cook,
17 Lake, McHenry, Kane, DuPage, or Will county being operated
18 for the purpose of performing emergency sewer repair that
19 would be subject to a weight limitation less than 66,000
20 pounds under the formula in this subsection (a) shall have
21 a weight limitation of 66,000 pounds or the vehicle's
22 gross vehicle weight rating, whichever is less. This
23 paragraph (4.5) does not apply to vehicles being operated
24 on the National System of Interstate and Defense Highways,
25 or to vehicles being operated on bridges or other elevated
26 structures constituting a part of a highway.

1 (5) Two consecutive sets of tandem axles may carry a
2 total weight of 34,000 pounds each if the overall distance
3 between the first and last axles of the consecutive sets
4 of tandem axles is 36 feet or more, notwithstanding the
5 lower limit resulting from the application of the above
6 formula.

7 (6) A truck, not in combination and used exclusively
8 for the collection of rendering materials, may, when
9 laden, transmit upon the road surface, except when on part
10 of the National System of Interstate and Defense Highways,
11 the following maximum weights: 22,000 pounds on a single
12 axle; 40,000 pounds on a tandem axle.

13 (7) A truck not in combination, equipped with a self
14 compactor or an industrial roll-off hoist and roll-off
15 container, used exclusively for garbage, refuse, or
16 recycling operations, may, when laden, transmit upon the
17 road surface, except when on part of the National System
18 of Interstate and Defense Highways, the following maximum
19 weights: 22,000 pounds on a single axle; 40,000 pounds on
20 a tandem axle; 40,000 pounds gross weight on a 2-axle
21 vehicle; 54,000 pounds gross weight on a 3-axle vehicle.
22 This vehicle is not subject to the bridge formula.

23 (7.5) A 3-axle rear discharge truck mixer registered
24 as a Special Hauling Vehicle, used exclusively for the
25 mixing and transportation of concrete in the plastic
26 state, may, when laden, transmit upon the road surface,

1 except when on part of the National System of Interstate
2 and Defense Highways, the following maximum weights:
3 22,000 pounds on single axle; 40,000 pounds on a tandem
4 axle; 54,000 pounds gross weight on a 3-axle vehicle. This
5 vehicle is not subject to the bridge formula.

6 (8) Except as provided in paragraph (7.5) of this
7 subsection (a), tandem axles on a 3-axle truck registered
8 as a Special Hauling Vehicle,~~manufactured prior to or in~~
9 ~~the model year of 2024 and first registered in Illinois~~
10 ~~prior to January 1, 2025,~~ with a distance greater than 72
11 inches but not more than 96 inches between any series of 2
12 axles, is allowed a combined weight on the series not to
13 exceed 36,000 pounds and neither axle of the series may
14 exceed 20,000 pounds. Any vehicle of this type
15 ~~manufactured after the model year of 2024 or first~~
16 ~~registered in Illinois after December 31, 2024~~ may not
17 exceed a combined weight of 34,000 pounds through the
18 series of 2 axles and neither axle of the series may exceed
19 20,000 pounds.

20 A 3-axle combination sewer cleaning jetting vacuum
21 truck registered as a Special Hauling Vehicle, used
22 exclusively for the transportation of non-hazardous solid
23 waste, ~~manufactured before or in the model year of 2014,~~
24 ~~first registered in Illinois before January 1, 2015,~~ may,
25 when laden, transmit upon the road surface, except when on
26 part of the National System of Interstate and Defense

1 Highways, the following maximum weights: 22,000 pounds on
2 a single axle; 40,000 pounds on a tandem axle; 54,000
3 pounds gross weight on a 3-axle vehicle. This vehicle is
4 not subject to the bridge formula.

5 (9) A 4-axle truck mixer registered as a Special
6 Hauling Vehicle, used exclusively for the mixing and
7 transportation of concrete in the plastic state, and not
8 operated on a highway that is part of the National System
9 of Interstate Highways, is allowed the following maximum
10 weights: 20,000 pounds on any single axle; 36,000 pounds
11 on a series of axles greater than 72 inches but not more
12 than 96 inches; and 34,000 pounds on any series of 2 axles
13 greater than 40 inches but not more than 72 inches. The
14 gross weight of this vehicle may not exceed the weights
15 allowed by the bridge formula for 4 axles. The bridge
16 formula does not apply to any series of 3 axles while the
17 vehicle is transporting concrete in the plastic state, but
18 no axle or tandem axle of the series may exceed the maximum
19 weight permitted under this paragraph (9) of subsection
20 (a).

21 (10) Combinations of vehicles, registered as Special
22 Hauling Vehicles that include a semitrailer ~~manufactured~~
23 ~~prior to or in the model year of 2024, and registered in~~
24 ~~Illinois prior to January 1, 2025,~~ having 5 axles with a
25 distance of 42 feet or less between extreme axles, may not
26 exceed the following maximum weights: 20,000 pounds on a

1 single axle; 34,000 pounds on a tandem axle; and 72,000
2 pounds gross weight. This combination of vehicles is not
3 subject to the bridge formula. For all those combinations
4 of vehicles that include a semitrailer manufactured after
5 the effective date of P.A. 92-0417, the overall distance
6 between the first and last axles of the 2 sets of tandems
7 must be 18 feet 6 inches or more. ~~Any combination of~~
8 ~~vehicles that has had its cargo container replaced in its~~
9 ~~entirety after December 31, 2024 may not exceed the~~
10 ~~weights allowed by the bridge formula.~~

11 (11) The maximum weight allowed on a vehicle with
12 crawler type tracks is 40,000 pounds.

13 (12) A combination of vehicles, including a tow truck
14 and a disabled vehicle or disabled combination of
15 vehicles, that exceeds the weight restriction imposed by
16 this Code, may be operated on a public highway in this
17 State provided that neither the disabled vehicle nor any
18 vehicle being towed nor the tow truck itself shall exceed
19 the weight limitations permitted under this Chapter.
20 During the towing operation, neither the tow truck nor the
21 vehicle combination shall exceed 24,000 pounds on a single
22 rear axle and 44,000 pounds on a tandem rear axle,
23 provided the towing vehicle:

24 (i) is specifically designed as a tow truck having
25 a gross vehicle weight rating of at least 18,000
26 pounds and is equipped with air brakes, provided that

1 air brakes are required only if the towing vehicle is
2 towing a vehicle, semitrailer, or tractor-trailer
3 combination that is equipped with air brakes;

4 (ii) is equipped with flashing, rotating, or
5 oscillating amber lights, visible for at least 500
6 feet in all directions;

7 (iii) is capable of utilizing the lighting and
8 braking systems of the disabled vehicle or combination
9 of vehicles; and

10 (iv) does not engage in a tow exceeding 20 miles
11 from the initial point of wreck or disablement. Any
12 additional movement of the vehicles may occur only
13 upon issuance of authorization for that movement under
14 the provisions of Sections 15-301 through 15-318 of
15 this Code. The towing vehicle, however, may tow any
16 disabled vehicle to a point where repairs are actually
17 to occur. This movement shall be valid only on State
18 routes. The tower must abide by posted bridge weight
19 limits.

20 (12.5) The vehicle weight limitations in this Section
21 do not apply to a covered heavy duty tow and recovery
22 vehicle. The covered heavy duty tow and recovery vehicle
23 license plate must cover the operating empty weight of the
24 covered heavy duty tow and recovery vehicle only.

25 (13) Upon and during a declaration of an emergency
26 propane supply disaster by the Governor under Section 7 of

1 the Illinois Emergency Management Agency Act:

2 (i) a truck not in combination, equipped with a
3 cargo tank, used exclusively for the transportation of
4 propane or liquefied petroleum gas may, when laden,
5 transmit upon the road surface, except when on part of
6 the National System of Interstate and Defense
7 Highways, the following maximum weights: 22,000 pounds
8 on a single axle; 40,000 pounds on a tandem axle;
9 40,000 pounds gross weight on a 2-axle vehicle; 54,000
10 pounds gross weight on a 3-axle vehicle; and

11 (ii) a truck when in combination with a trailer
12 equipped with a cargo tank used exclusively for the
13 transportation of propane or liquefied petroleum gas
14 may, when laden, transmit upon the road surface,
15 except when on part of the National System of
16 Interstate and Defense Highways, the following maximum
17 weights: 22,000 pounds on a single axle; 40,000 pounds
18 on a tandem axle; 90,000 pounds gross weight on a
19 5-axle or 6-axle vehicle.

20 Vehicles operating under this paragraph (13) are not
21 subject to the bridge formula.

22 (14) A vehicle or combination of vehicles that uses
23 natural gas or propane gas as a motor fuel may exceed the
24 above weight limitations by up to 2,000 pounds, the total
25 allowance is calculated by an amount that is equal to the
26 difference between the weight of the vehicle attributable

1 to the natural gas or propane gas tank and fueling system
2 carried by the vehicle, and the weight of a comparable
3 diesel tank and fueling system. This paragraph (14) shall
4 not allow a vehicle to exceed any posted weight limit on a
5 highway or structure.

6 (15) An emergency vehicle or fire apparatus that is a
7 vehicle designed to be used under emergency conditions to
8 transport personnel and equipment, and used to support the
9 suppression of fires and mitigation of other hazardous
10 situations on a Class I highway, may not exceed 86,000
11 pounds gross weight, or any of the following weight
12 allowances:

13 (i) 24,000 pounds on a single steering axle;

14 (ii) 33,500 pounds on a single drive axle;

15 (iii) 62,000 pounds on a tandem axle; or

16 (iv) 52,000 pounds on a tandem rear drive steer
17 axle.

18 (16) A bus, motor coach, or recreational vehicle may
19 carry a total weight of 24,000 pounds on a single axle, but
20 may not exceed other weight provisions of this Section.

21 Gross weight limits shall not apply to the combination of
22 the tow truck and vehicles being towed. The tow truck license
23 plate must cover the operating empty weight of the tow truck
24 only. The weight of each vehicle being towed shall be covered
25 by a valid license plate issued to the owner or operator of the
26 vehicle being towed and displayed on that vehicle. If no valid

1 plate issued to the owner or operator of that vehicle is
2 displayed on that vehicle, or the plate displayed on that
3 vehicle does not cover the weight of the vehicle, the weight of
4 the vehicle shall be covered by the third tow truck plate
5 issued to the owner or operator of the tow truck and
6 temporarily affixed to the vehicle being towed. If a roll-back
7 carrier is registered and being used as a tow truck, however,
8 the license plate or plates for the tow truck must cover the
9 gross vehicle weight, including any load carried on the bed of
10 the roll-back carrier.

11 The Department may by rule or regulation prescribe
12 additional requirements. However, nothing in this Code shall
13 prohibit a tow truck under instructions of a police officer
14 from legally clearing a disabled vehicle, that may be in
15 violation of weight limitations of this Chapter, from the
16 roadway to the berm or shoulder of the highway. If in the
17 opinion of the police officer that location is unsafe, the
18 officer is authorized to have the disabled vehicle towed to
19 the nearest place of safety.

20 For the purpose of this subsection, gross vehicle weight
21 rating, or GVWR, means the value specified by the manufacturer
22 as the loaded weight of the tow truck.

23 (b) As used in this Section, "recycling haul" or
24 "recycling operation" means the hauling of non-hazardous,
25 non-special, non-putrescible materials, such as paper, glass,
26 cans, or plastic, for subsequent use in the secondary

1 materials market.

2 (c) No vehicle or combination of vehicles equipped with
3 pneumatic tires shall be operated, unladen or with load, upon
4 the highways of this State in violation of the provisions of
5 any permit issued under the provisions of Sections 15-301
6 through 15-318 of this Chapter.

7 (d) No vehicle or combination of vehicles equipped with
8 other than pneumatic tires may be operated, unladen or with
9 load, upon the highways of this State when the gross weight on
10 the road surface through any wheel exceeds 800 pounds per inch
11 width of tire tread or when the gross weight on the road
12 surface through any axle exceeds 16,000 pounds.

13 (e) No person shall operate a vehicle or combination of
14 vehicles over a bridge or other elevated structure
15 constituting part of a highway with a gross weight that is
16 greater than the maximum weight permitted by the Department,
17 when the structure is sign posted as provided in this Section.

18 (f) The Department upon request from any local authority
19 shall, or upon its own initiative may, conduct an
20 investigation of any bridge or other elevated structure
21 constituting a part of a highway, and if it finds that the
22 structure cannot with safety to itself withstand the weight of
23 vehicles otherwise permissible under this Code the Department
24 shall determine and declare the maximum weight of vehicles
25 that the structures can withstand, and shall cause or permit
26 suitable signs stating maximum weight to be erected and

1 maintained before each end of the structure. No person shall
2 operate a vehicle or combination of vehicles over any
3 structure with a gross weight that is greater than the posted
4 maximum weight.

5 (g) Upon the trial of any person charged with a violation
6 of subsection (e) or (f) of this Section, proof of the
7 determination of the maximum allowable weight by the
8 Department and the existence of the signs, constitutes
9 conclusive evidence of the maximum weight that can be
10 maintained with safety to the bridge or structure.

11 (Source: P.A. 102-124, eff. 7-23-21.)

12 (Text of Section after amendment by P.A. 104-436)

13 Sec. 15-111. Wheel and axle loads and gross weights.

14 (a) No vehicle or combination of vehicles with pneumatic
15 tires may be operated, unladen or with load, when the total
16 weight on the road surface exceeds the following: 20,000
17 pounds on a single axle; 34,000 pounds on a tandem axle with no
18 axle within the tandem exceeding 20,000 pounds; 80,000 pounds
19 gross weight for vehicle combinations of 5 or more axles; or a
20 total weight on a group of 2 or more consecutive axles in
21 excess of that weight produced by the application of the
22 following formula: $W = 500 \text{ times the sum of } (LN \text{ divided by } N-1)$
23 $+ 12N + 36$, where "W" equals overall total weight on any group
24 of 2 or more consecutive axles to the nearest 500 pounds, "L"
25 equals the distance measured to the nearest foot between

1 extremes of any group of 2 or more consecutive axles, and "N"
2 equals the number of axles in the group under consideration.

3 The above formula when expressed in tabular form results
4 in allowable loads as follows:

5 Distance measured

6 to the nearest

7 foot between the

8 extremes of any

9 group of 2 or

10 more consecutive

11 axles

Maximum weight in pounds

of any group of

2 or more consecutive axles

12 feet

2 axles

3 axles

4 axles

5 axles

6 axles

13 4

34,000

14 5

34,000

15 6

34,000

16 7

34,000

17 8

34,000*

34,000

18 Between 8

19 and 9

38,000

42,000

20 9

39,000

42,500

21 10

40,000

43,500

22 11

44,000

23 12

45,000

50,000

24 13

45,500

50,500

25 14

46,500

51,500

1	15	47,000	52,000		
2	16	48,000	52,500	58,000	
3	17	48,500	53,500	58,500	
4	18	49,500	54,000	59,000	
5	19	50,000	54,500	60,000	
6	20	51,000	55,500	60,500	66,000
7	21	51,500	56,000	61,000	66,500
8	22	52,500	56,500	61,500	67,000
9	23	53,000	57,500	62,500	68,000
10	24	54,000	58,000	63,000	68,500
11	25	54,500	58,500	63,500	69,000
12	26	55,500	59,500	64,000	69,500
13	27	56,000	60,000	65,000	70,000
14	28	57,000	60,500	65,500	71,000
15	29	57,500	61,500	66,000	71,500
16	30	58,500	62,000	66,500	72,000
17	31	59,000	62,500	67,500	72,500
18	32	60,000	63,500	68,000	73,000
19	33		64,000	68,500	74,000
20	34		64,500	69,000	74,500
21	35		65,500	70,000	75,000
22	36		66,000**	70,500	75,500
23	37		66,500**	71,000	76,000
24	38		67,500**	72,000	77,000
25	39		68,000	72,500	77,500
26	40		68,500	73,000	78,000

1	41	69,500	73,500	78,500
2	42	70,000	74,000	79,000
3	43	70,500	75,000	80,000
4	44	71,500	75,500	
5	45	72,000	76,000	
6	46	72,500	76,500	
7	47	73,500	77,500	
8	48	74,000	78,000	
9	49	74,500	78,500	
10	50	75,500	79,000	
11	51	76,000	80,000	
12	52	76,500		
13	53	77,500		
14	54	78,000		
15	55	78,500		
16	56	79,500		
17	57	80,000		

18 *If the distance between 2 axles is 96 inches or less, the 2
19 axles are tandem axles and the maximum total weight may not
20 exceed 34,000 pounds, notwithstanding the higher limit
21 resulting from the application of the formula.

22 **Two consecutive sets of tandem axles may carry 34,000 pounds
23 each if the overall distance between the first and last axles
24 of these tandems is 36 feet or more.

25 Vehicles not in a combination having more than 4 axles may
26 not exceed the weight in the table in this subsection (a) for 4

1 axles measured between the extreme axles of the vehicle.

2 Vehicles in a combination having more than 6 axles may not
3 exceed the weight in the table in this subsection (a) for 6
4 axles measured between the extreme axles of the combination.

5 Local authorities, with respect to streets and highways
6 under their jurisdiction, without additional fees, may also by
7 ordinance or resolution allow the weight limitations of this
8 subsection, provided the maximum gross weight on any one axle
9 shall not exceed 20,000 pounds and the maximum total weight on
10 any tandem axle shall not exceed 34,000 pounds, on designated
11 highways when appropriate regulatory signs giving notice are
12 erected upon the street or highway or portion of any street or
13 highway affected by the ordinance or resolution.

14 The following are exceptions to the above formula:

15 (1) Vehicles for which a different limit is
16 established and posted in accordance with Section 15-316
17 of this Code.

18 (2) Vehicles for which the Department of
19 Transportation and local authorities issue overweight
20 permits under authority of Section 15-301 of this Code.
21 These vehicles are not subject to the bridge formula.

22 (3) Cities having a population of more than 50,000 may
23 permit by ordinance axle loads on 2-axle motor vehicles 33
24 1/2% above those provided for herein, but the increase
25 shall not become effective until the city has officially
26 notified the Department of the passage of the ordinance

1 and shall not apply to those vehicles when outside of the
2 limits of the city, nor shall the gross weight of any
3 2-axle motor vehicle operating over any street of the city
4 exceed 40,000 pounds.

5 (4) Weight limitations shall not apply to vehicles
6 (including loads) operated by a public utility when
7 transporting equipment required for emergency repair of
8 public utility facilities or properties or water wells.

9 (4.5) A 3-axle or 4-axle vehicle (including when
10 laden) operated or hired by a municipality within Cook,
11 Lake, McHenry, Kane, DuPage, or Will county being operated
12 for the purpose of performing emergency sewer repair that
13 would be subject to a weight limitation less than 66,000
14 pounds under the formula in this subsection (a) shall have
15 a weight limitation of 66,000 pounds or the vehicle's
16 gross vehicle weight rating, whichever is less. This
17 paragraph (4.5) does not apply to vehicles being operated
18 on the National System of Interstate and Defense Highways,
19 or to vehicles being operated on bridges or other elevated
20 structures constituting a part of a highway.

21 (5) Two consecutive sets of tandem axles may carry a
22 total weight of 34,000 pounds each if the overall distance
23 between the first and last axles of the consecutive sets
24 of tandem axles is 36 feet or more, notwithstanding the
25 lower limit resulting from the application of the above
26 formula.

1 (6) A truck, not in combination and used exclusively
2 for the collection of rendering materials, may, when
3 laden, transmit upon the road surface, except when on part
4 of the National System of Interstate and Defense Highways,
5 the following maximum weights: 22,000 pounds on a single
6 axle; 40,000 pounds on a tandem axle.

7 (7) A truck not in combination, equipped with a self
8 compactor or an industrial roll-off hoist and roll-off
9 container, used exclusively for garbage, refuse, or
10 recycling operations, may, when laden, transmit upon the
11 road surface, except when on part of the National System
12 of Interstate and Defense Highways, the following maximum
13 weights: 22,000 pounds on a single axle; 40,000 pounds on
14 a tandem axle; 40,000 pounds gross weight on a 2-axle
15 vehicle; 54,000 pounds gross weight on a 3-axle vehicle.
16 This vehicle is not subject to the bridge formula.

17 (7.5) A 3-axle rear discharge truck mixer registered
18 as a Special Hauling Vehicle, used exclusively for the
19 mixing and transportation of concrete in the plastic
20 state, may, when laden, transmit upon the road surface,
21 except when on part of the National System of Interstate
22 and Defense Highways, the following maximum weights:
23 22,000 pounds on single axle; 40,000 pounds on a tandem
24 axle; 54,000 pounds gross weight on a 3-axle vehicle. This
25 vehicle is not subject to the bridge formula.

26 (8) Except as provided in paragraph (7.5) of this

1 subsection (a), tandem axles on a 3-axle truck registered
2 as a Special Hauling Vehicle, ~~manufactured prior to or in~~
3 ~~the model year of 2024 and first registered in Illinois~~
4 ~~prior to January 1, 2025,~~ with a distance greater than 72
5 inches but not more than 96 inches between any series of 2
6 axles, is allowed a combined weight on the series not to
7 exceed 36,000 pounds and neither axle of the series may
8 exceed 20,000 pounds. Any vehicle of this type
9 ~~manufactured after the model year of 2024 or first~~
10 ~~registered in Illinois after December 31, 2024~~ may not
11 exceed a combined weight of 34,000 pounds through the
12 series of 2 axles and neither axle of the series may exceed
13 20,000 pounds.

14 A 3-axle combination sewer cleaning jetting vacuum
15 truck registered as a Special Hauling Vehicle, used
16 exclusively for the transportation of non-hazardous solid
17 waste, ~~manufactured before or in the model year of 2014,~~
18 ~~first registered in Illinois before January 1, 2015,~~ may,
19 when laden, transmit upon the road surface, except when on
20 part of the National System of Interstate and Defense
21 Highways, the following maximum weights: 22,000 pounds on
22 a single axle; 40,000 pounds on a tandem axle; 54,000
23 pounds gross weight on a 3-axle vehicle. This vehicle is
24 not subject to the bridge formula.

25 (9) A 4-axle truck mixer registered as a Special
26 Hauling Vehicle, used exclusively for the mixing and

1 transportation of concrete in the plastic state, and not
2 operated on a highway that is part of the National System
3 of Interstate Highways, is allowed the following maximum
4 weights: 20,000 pounds on any single axle; 36,000 pounds
5 on a series of axles greater than 72 inches but not more
6 than 96 inches; and 34,000 pounds on any series of 2 axles
7 greater than 40 inches but not more than 72 inches. The
8 gross weight of this vehicle may not exceed the weights
9 allowed by the bridge formula for 4 axles. The bridge
10 formula does not apply to any series of 3 axles while the
11 vehicle is transporting concrete in the plastic state, but
12 no axle or tandem axle of the series may exceed the maximum
13 weight permitted under this paragraph (9) of subsection
14 (a).

15 (10) Combinations of vehicles, registered as Special
16 Hauling Vehicles that include a semitrailer ~~manufactured~~
17 ~~prior to or in the model year of 2024, and registered in~~
18 ~~Illinois prior to January 1, 2025,~~ having 5 axles with a
19 distance of 42 feet or less between extreme axles, may not
20 exceed the following maximum weights: 20,000 pounds on a
21 single axle; 34,000 pounds on a tandem axle; and 72,000
22 pounds gross weight. This combination of vehicles is not
23 subject to the bridge formula. For all those combinations
24 of vehicles that include a semitrailer manufactured after
25 the effective date of P.A. 92-0417, the overall distance
26 between the first and last axles of the 2 sets of tandems

1 must be 18 feet 6 inches or more. ~~Any combination of~~
2 ~~vehicles that has had its cargo container replaced in its~~
3 ~~entirety after December 31, 2024 may not exceed the~~
4 ~~weights allowed by the bridge formula.~~

5 (11) The maximum weight allowed on a vehicle with
6 crawler type tracks is 40,000 pounds.

7 (12) A combination of vehicles, including a tow truck
8 and a disabled vehicle or disabled combination of
9 vehicles, that exceeds the weight restriction imposed by
10 this Code, may be operated on a public highway in this
11 State provided that neither the disabled vehicle nor any
12 vehicle being towed nor the tow truck itself shall exceed
13 the weight limitations permitted under this Chapter.
14 During the towing operation, neither the tow truck nor the
15 vehicle combination shall exceed 24,000 pounds on a single
16 rear axle and 44,000 pounds on a tandem rear axle,
17 provided the towing vehicle:

18 (i) is specifically designed as a tow truck having
19 a gross vehicle weight rating of at least 18,000
20 pounds and is equipped with air brakes, provided that
21 air brakes are required only if the towing vehicle is
22 towing a vehicle, semitrailer, or tractor-trailer
23 combination that is equipped with air brakes;

24 (ii) is equipped with flashing, rotating, or
25 oscillating amber lights, visible for at least 500
26 feet in all directions;

1 (iii) is capable of utilizing the lighting and
2 braking systems of the disabled vehicle or combination
3 of vehicles; and

4 (iv) does not engage in a tow exceeding 20 miles
5 from the initial point of wreck or disablement. Any
6 additional movement of the vehicles may occur only
7 upon issuance of authorization for that movement under
8 the provisions of Sections 15-301 through 15-318 of
9 this Code. The towing vehicle, however, may tow any
10 disabled vehicle to a point where repairs are actually
11 to occur. This movement shall be valid only on State
12 routes. The tower must abide by posted bridge weight
13 limits.

14 (12.5) The vehicle weight limitations in this Section
15 do not apply to a covered heavy duty tow and recovery
16 vehicle. The covered heavy duty tow and recovery vehicle
17 license plate must cover the operating empty weight of the
18 covered heavy duty tow and recovery vehicle only.

19 (13) Upon and during a declaration of an emergency
20 propane supply disaster by the Governor under Section 7 of
21 the Illinois Emergency Management Agency Act:

22 (i) a truck not in combination, equipped with a
23 cargo tank, used exclusively for the transportation of
24 propane or liquefied petroleum gas may, when laden,
25 transmit upon the road surface, except when on part of
26 the National System of Interstate and Defense

1 Highways, the following maximum weights: 22,000 pounds
2 on a single axle; 40,000 pounds on a tandem axle;
3 40,000 pounds gross weight on a 2-axle vehicle; 54,000
4 pounds gross weight on a 3-axle vehicle; and

5 (ii) a truck when in combination with a trailer
6 equipped with a cargo tank used exclusively for the
7 transportation of propane or liquefied petroleum gas
8 may, when laden, transmit upon the road surface,
9 except when on part of the National System of
10 Interstate and Defense Highways, the following maximum
11 weights: 22,000 pounds on a single axle; 40,000 pounds
12 on a tandem axle; 90,000 pounds gross weight on a
13 5-axle or 6-axle vehicle.

14 Vehicles operating under this paragraph (13) are not
15 subject to the bridge formula.

16 (14) A vehicle or combination of vehicles that uses
17 either natural gas or propane gas as a motor fuel or is
18 operated by an engine fueled wholly or partially by an
19 electric battery or hydrogen fuel cell electric fueling
20 system may exceed the above weight limitations by up to
21 2,000 pounds, the total allowance is calculated by an
22 amount that is equal to the difference between the weight
23 of the vehicle attributable to the natural gas or propane
24 or hydrogen gas tank, batteries, and fueling system
25 carried by the vehicle, and the weight of a comparable
26 diesel tank and fueling system. This paragraph (14) shall

1 not allow a vehicle to exceed any posted weight limit on a
2 highway or structure.

3 (15) An emergency vehicle or fire apparatus that is a
4 vehicle designed to be used under emergency conditions to
5 transport personnel and equipment, and used to support the
6 suppression of fires and mitigation of other hazardous
7 situations on a Class I highway, may not exceed 86,000
8 pounds gross weight, or any of the following weight
9 allowances:

10 (i) 24,000 pounds on a single steering axle;

11 (ii) 33,500 pounds on a single drive axle;

12 (iii) 62,000 pounds on a tandem axle; or

13 (iv) 52,000 pounds on a tandem rear drive steer
14 axle.

15 (16) A bus, motor coach, or recreational vehicle may
16 carry a total weight of 24,000 pounds on a single axle, but
17 may not exceed other weight provisions of this Section.

18 Gross weight limits shall not apply to the combination of
19 the tow truck and vehicles being towed. The tow truck license
20 plate must cover the operating empty weight of the tow truck
21 only. The weight of each vehicle being towed shall be covered
22 by a valid license plate issued to the owner or operator of the
23 vehicle being towed and displayed on that vehicle. If no valid
24 plate issued to the owner or operator of that vehicle is
25 displayed on that vehicle, or the plate displayed on that
26 vehicle does not cover the weight of the vehicle, the weight of

1 the vehicle shall be covered by the third tow truck plate
2 issued to the owner or operator of the tow truck and
3 temporarily affixed to the vehicle being towed. If a roll-back
4 carrier is registered and being used as a tow truck, however,
5 the license plate or plates for the tow truck must cover the
6 gross vehicle weight, including any load carried on the bed of
7 the roll-back carrier.

8 The Department may by rule or regulation prescribe
9 additional requirements. However, nothing in this Code shall
10 prohibit a tow truck under instructions of a police officer
11 from legally clearing a disabled vehicle, that may be in
12 violation of weight limitations of this Chapter, from the
13 roadway to the berm or shoulder of the highway. If in the
14 opinion of the police officer that location is unsafe, the
15 officer is authorized to have the disabled vehicle towed to
16 the nearest place of safety.

17 For the purpose of this subsection, gross vehicle weight
18 rating, or GVWR, means the value specified by the manufacturer
19 as the loaded weight of the tow truck.

20 (b) As used in this Section, "recycling haul" or
21 "recycling operation" means the hauling of non-hazardous,
22 non-special, non-putrescible materials, such as paper, glass,
23 cans, or plastic, for subsequent use in the secondary
24 materials market.

25 (c) No vehicle or combination of vehicles equipped with
26 pneumatic tires shall be operated, unladen or with load, upon

1 the highways of this State in violation of the provisions of
2 any permit issued under the provisions of Sections 15-301
3 through 15-318 of this Chapter.

4 (d) No vehicle or combination of vehicles equipped with
5 other than pneumatic tires may be operated, unladen or with
6 load, upon the highways of this State when the gross weight on
7 the road surface through any wheel exceeds 800 pounds per inch
8 width of tire tread or when the gross weight on the road
9 surface through any axle exceeds 16,000 pounds.

10 (e) No person shall operate a vehicle or combination of
11 vehicles over a bridge or other elevated structure
12 constituting part of a highway with a gross weight that is
13 greater than the maximum weight permitted by the Department,
14 when the structure is sign posted as provided in this Section.

15 (f) The Department upon request from any local authority
16 shall, or upon its own initiative may, conduct an
17 investigation of any bridge or other elevated structure
18 constituting a part of a highway, and if it finds that the
19 structure cannot with safety to itself withstand the weight of
20 vehicles otherwise permissible under this Code the Department
21 shall determine and declare the maximum weight of vehicles
22 that the structures can withstand, and shall cause or permit
23 suitable signs stating maximum weight to be erected and
24 maintained before each end of the structure. No person shall
25 operate a vehicle or combination of vehicles over any
26 structure with a gross weight that is greater than the posted

1 maximum weight.

2 (g) Upon the trial of any person charged with a violation
3 of subsection (e) or (f) of this Section, proof of the
4 determination of the maximum allowable weight by the
5 Department and the existence of the signs, constitutes
6 conclusive evidence of the maximum weight that can be
7 maintained with safety to the bridge or structure.

8 (Source: P.A. 104-436, eff. 6-1-26.)

9 (625 ILCS 5/15-312) (from Ch. 95 1/2, par. 15-312)

10 Sec. 15-312. Fees for police escort. When State Police
11 escorts are required by the Department of Transportation for
12 the safety of the motoring public, the following fees shall be
13 paid by the applicant:

14 (1) to the Department of Transportation: \$40 per hour
15 per vehicle based upon the pre-estimated time of the
16 movement to be agreed upon between the Department and the
17 applicant, with a minimum fee of \$80 per vehicle; and

18 (2) to the Illinois State Police: \$125 ~~\$75~~ per hour
19 per State Police vehicle based upon the actual time of the
20 movement, with a minimum fee of \$500 ~~\$300~~ per State Police
21 vehicle. The Illinois State Police shall remit the moneys
22 to the State Treasurer, who shall deposit the moneys into
23 the State Police Operations Assistance Fund.

24 The actual time of the movement shall be the time the
25 police escort is required to pick up the movement to the time

1 the movement is completed. Any delays or breakdowns shall be
2 considered part of the movement time. Any fraction of an hour
3 shall be rounded up to the next whole hour.

4 The State Police may use an online payment system to
5 accept fees for police escorts.

6 (Source: P.A. 102-505, eff. 8-20-21; 103-706, eff. 1-1-25.)

7 ARTICLE 100

8 Section 100-5. The Illinois State Auditing Act is amended
9 by changing Section 3-1 as follows:

10 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

11 (Text of Section before amendment by P.A. 104-457)

12 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
13 General has jurisdiction over all State agencies to make post
14 audits and investigations authorized by or under this Act or
15 the Constitution.

16 The Auditor General has jurisdiction over local government
17 agencies and private agencies only:

18 (a) to make such post audits authorized by or under
19 this Act as are necessary and incidental to a post audit of
20 a State agency or of a program administered by a State
21 agency involving public funds of the State, but this
22 jurisdiction does not include any authority to review
23 local governmental agencies in the obligation, receipt,

1 expenditure or use of public funds of the State that are
2 granted without limitation or condition imposed by law,
3 other than the general limitation that such funds be used
4 for public purposes;

5 (b) to make investigations authorized by or under this
6 Act or the Constitution; and

7 (c) to make audits of the records of local government
8 agencies to verify actual costs of state-mandated programs
9 when directed to do so by the Legislative Audit Commission
10 at the request of the State Board of Appeals under the
11 State Mandates Act.

12 In addition to the foregoing, the Auditor General may
13 conduct an audit of the Metropolitan Pier and Exposition
14 Authority, the Regional Transportation Authority, the Suburban
15 Bus Division, the Commuter Rail Division and the Chicago
16 Transit Authority and any other subsidized carrier when
17 authorized by the Legislative Audit Commission. Such audit may
18 be a financial, management or program audit, or any
19 combination thereof.

20 The audit shall determine whether they are operating in
21 accordance with all applicable laws and regulations. Subject
22 to the limitations of this Act, the Legislative Audit
23 Commission may by resolution specify additional determinations
24 to be included in the scope of the audit.

25 In addition to the foregoing, the Auditor General must
26 also conduct a financial audit of the Illinois Sports

1 Facilities Authority's expenditures of public funds in
2 connection with the reconstruction, renovation, remodeling,
3 extension, or improvement of all or substantially all of any
4 existing "facility", as that term is defined in the Illinois
5 Sports Facilities Authority Act.

6 The Auditor General may also conduct an audit, when
7 authorized by the Legislative Audit Commission, of any
8 hospital which receives 10% or more of its gross revenues from
9 payments from the State of Illinois, Department of Healthcare
10 and Family Services (formerly Department of Public Aid),
11 Medical Assistance Program.

12 The Auditor General is authorized to conduct financial and
13 compliance audits of the Illinois Distance Learning Foundation
14 and the Illinois Conservation Foundation.

15 As soon as practical after August 18, 1995 (the effective
16 date of Public Act 89-386), the Auditor General shall conduct
17 a compliance and management audit of the City of Chicago and
18 any other entity with regard to the operation of Chicago
19 O'Hare International Airport, Chicago Midway Airport and
20 Merrill C. Meigs Field. The audit shall include, but not be
21 limited to, an examination of revenues, expenses, and
22 transfers of funds; purchasing and contracting policies and
23 practices; staffing levels; and hiring practices and
24 procedures. When completed, the audit required by this
25 paragraph shall be distributed in accordance with Section
26 3-14.

1 The Auditor General must conduct an audit of the Health
2 Facilities and Services Review Board pursuant to Section 19.5
3 of the Illinois Health Facilities Planning Act.

4 The Auditor General of the State of Illinois shall
5 annually conduct or cause to be conducted a financial and
6 compliance audit of the books and records of any county water
7 commission organized pursuant to the Water Commission Act of
8 1985 and shall file a copy of the report of that audit with the
9 Governor and the Legislative Audit Commission. The filed audit
10 shall be open to the public for inspection. The cost of the
11 audit shall be charged to the county water commission in
12 accordance with Section 6z-27 of the State Finance Act. The
13 county water commission shall make available to the Auditor
14 General its books and records and any other documentation,
15 whether in the possession of its trustees or other parties,
16 necessary to conduct the audit required. These audit
17 requirements apply only through July 1, 2007.

18 The Auditor General must conduct audits of the Rend Lake
19 Conservancy District as provided in Section 25.5 of the River
20 Conservancy Districts Act.

21 The Auditor General must conduct financial audits of the
22 Southeastern Illinois Economic Development Authority as
23 provided in Section 70 of the Southeastern Illinois Economic
24 Development Authority Act.

25 The Auditor General shall conduct a compliance audit in
26 accordance with subsections (d) and (f) of Section 30 of the

1 Innovation Development and Economy Act.

2 The Auditor General shall conduct a compliance audit in
3 accordance with subsections (d) and (g) of Section 5-45 of the
4 Statewide Innovation Development and Economy Act.

5 (Source: P.A. 104-2, eff. 6-16-25.)

6 (Text of Section after amendment by P.A. 104-457)

7 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
8 General has jurisdiction over all State agencies to make post
9 audits and investigations authorized by or under this Act or
10 the Constitution.

11 The Auditor General has jurisdiction over local government
12 agencies and private agencies only:

13 (a) to make such post audits authorized by or under
14 this Act as are necessary and incidental to a post audit of
15 a State agency or of a program administered by a State
16 agency involving public funds of the State, but this
17 jurisdiction does not include any authority to review
18 local governmental agencies in the obligation, receipt,
19 expenditure or use of public funds of the State that are
20 granted without limitation or condition imposed by law,
21 other than the general limitation that such funds be used
22 for public purposes;

23 (b) to make investigations authorized by or under this
24 Act or the Constitution; and

25 (c) to make audits of the records of local government

1 agencies to verify actual costs of state-mandated programs
2 when directed to do so by the Legislative Audit Commission
3 at the request of the State Board of Appeals under the
4 State Mandates Act.

5 In addition to the foregoing, the Auditor General may
6 conduct an audit of the Metropolitan Pier and Exposition
7 Authority, the Northern Illinois Transit Authority, the
8 Suburban Bus Division, the Commuter Rail Division and the
9 Chicago Transit Authority and any other subsidized carrier
10 when authorized by the Legislative Audit Commission. Such
11 audit may be a financial, management or program audit, or any
12 combination thereof.

13 The audit shall determine whether they are operating in
14 accordance with all applicable laws and regulations. Subject
15 to the limitations of this Act, the Legislative Audit
16 Commission may by resolution specify additional determinations
17 to be included in the scope of the audit.

18 In addition to the foregoing, the Auditor General must
19 also conduct a financial audit of the Illinois Sports
20 Facilities Authority's expenditures of public funds in
21 connection with the reconstruction, renovation, remodeling,
22 extension, or improvement of all or substantially all of any
23 existing "facility", as that term is defined in the Illinois
24 Sports Facilities Authority Act.

25 The Auditor General may also conduct an audit, when
26 authorized by the Legislative Audit Commission, of any

1 hospital which receives 10% or more of its gross revenues from
2 payments from the State of Illinois, Department of Healthcare
3 and Family Services (formerly Department of Public Aid),
4 Medical Assistance Program.

5 The Auditor General is authorized to conduct financial and
6 compliance audits of the Illinois Distance Learning Foundation
7 and the Illinois Conservation Foundation.

8 As soon as practical after August 18, 1995 (the effective
9 date of Public Act 89-386), the Auditor General shall conduct
10 a compliance and management audit of the City of Chicago and
11 any other entity with regard to the operation of Chicago
12 O'Hare International Airport, Chicago Midway Airport and
13 Merrill C. Meigs Field. The audit shall include, but not be
14 limited to, an examination of revenues, expenses, and
15 transfers of funds; purchasing and contracting policies and
16 practices; staffing levels; and hiring practices and
17 procedures. When completed, the audit required by this
18 paragraph shall be distributed in accordance with Section
19 3-14.

20 The Auditor General must conduct an audit of the Health
21 Facilities and Services Review Board pursuant to Section 19.5
22 of the Illinois Health Facilities Planning Act.

23 The Auditor General of the State of Illinois shall
24 annually conduct or cause to be conducted a financial and
25 compliance audit of the books and records of any county water
26 commission organized pursuant to the Water Commission Act of

1 1985 and shall file a copy of the report of that audit with the
2 Governor and the Legislative Audit Commission. The filed audit
3 shall be open to the public for inspection. The cost of the
4 audit shall be charged to the county water commission in
5 accordance with Section 6z-27 of the State Finance Act. The
6 county water commission shall make available to the Auditor
7 General its books and records and any other documentation,
8 whether in the possession of its trustees or other parties,
9 necessary to conduct the audit required. These audit
10 requirements apply only through July 1, 2007.

11 The Auditor General must conduct audits of the Rend Lake
12 Conservancy District as provided in Section 25.5 of the River
13 Conservancy Districts Act.

14 The Auditor General must conduct financial audits of the
15 Southeastern Illinois Economic Development Authority as
16 provided in Section 70 of the Southeastern Illinois Economic
17 Development Authority Act.

18 The Auditor General shall conduct a compliance audit in
19 accordance with subsections (d) and (f) of Section 30 of the
20 Innovation Development and Economy Act.

21 The Auditor General shall conduct a compliance audit in
22 accordance with subsections (d) and (g) of Section 5-45 of the
23 Statewide Innovation Development and Economy Act.

24 (Source: P.A. 104-2, eff. 6-16-25; 104-457, eff. 6-1-26.)

25 Section 100-10. The State Finance Act is amended by

1 changing Sections 6z-18 and 6z-20 as follows:

2 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

3 Sec. 6z-18. Local Government Tax Fund. A portion of the
4 money paid into the Local Government Tax Fund from sales of
5 tangible personal property taxed at the 1% rate under the
6 Retailers' Occupation Tax Act and the Service Occupation Tax
7 Act, which occurred in municipalities, shall be distributed to
8 each municipality based upon the sales which occurred in that
9 municipality. The remainder shall be distributed to each
10 county based upon the sales which occurred in the
11 unincorporated area of that county.

12 Moneys transferred from the Grocery Tax Replacement Fund
13 to the Local Government Tax Fund under Section 6z-130 shall be
14 treated under this Section in the same manner as if they had
15 been remitted with the return on which they were reported.

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

1 from such sales shall be distributed to counties. Each county
2 shall receive the amount attributable to sales for which
3 Illinois addresses for titling or registration purposes are
4 given as being located in the unincorporated area of such
5 county.

6 A portion of the money paid into the Local Government Tax
7 Fund from the 6.25% general rate (and, beginning July 1, 2000
8 and through December 31, 2000, the 1.25% rate on motor fuel and
9 gasohol, and beginning on August 6, 2010 through August 15,
10 2010, and beginning again on August 5, 2022 through August 14,
11 2022, the 1.25% rate on sales tax holiday items) on sales
12 subject to taxation under the Retailers' Occupation Tax Act
13 and the Service Occupation Tax Act, which occurred in
14 municipalities, shall be distributed to each municipality,
15 based upon the sales which occurred in that municipality. The
16 remainder shall be distributed to each county, based upon the
17 sales which occurred in the unincorporated area of such
18 county.

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

1 interstate or foreign commerce.

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

10 As soon as possible after the first day of each month,
11 beginning January 1, 2011, upon certification of the
12 Department of Revenue, the Comptroller shall order
13 transferred, and the Treasurer shall transfer, to the STAR
14 Bonds Revenue Fund the local sales tax increment, as defined
15 in the Innovation Development and Economy Act, collected
16 during the second preceding calendar month for sales within a
17 STAR bond district and deposited into the Local Government Tax
18 Fund, less 3% of that amount, which shall be transferred into
19 the Tax Compliance and Administration Fund and shall be used
20 by the Department, subject to appropriation, to cover the
21 costs of the Department in administering the Innovation
22 Development and Economy Act.

23 As soon as possible after the first day of each month,
24 beginning July 1, 2026, upon certification of the Department
25 of Revenue, the Comptroller shall order transferred, and the
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the Statewide
2 Innovation Development and Economy Act, collected during the
3 second preceding calendar month for sales within a STAR bond
4 district and deposited into the Local Government Tax Fund,
5 less 3% of that amount, which shall be transferred to the Tax
6 Compliance and Administration Fund and shall be used by the
7 Department, subject to appropriation, to cover the costs of
8 the Department in administering the Statewide Innovation
9 Development and Economy Act.

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

1 different taxing body but were erroneously paid to the
2 municipality or county, and not including any amounts that are
3 transferred to the STAR Bonds Revenue Fund. Within 10 days
4 after receipt, by the Comptroller, of the disbursement
5 certification to the municipalities and counties, provided for
6 in this Section to be given to the Comptroller by the
7 Department, the Comptroller shall cause the orders to be drawn
8 for the respective amounts in accordance with the directions
9 contained in such certification.

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

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

22 In construing any development, redevelopment, annexation,
23 preannexation, or other lawful agreement in effect prior to
24 September 1, 1990, which describes or refers to receipts from
25 a county or municipal retailers' occupation tax, use tax or
26 service occupation tax which now cannot be imposed, such

1 description or reference shall be deemed to include the
2 replacement revenue for such abolished taxes, distributed from
3 the Local Government Tax Fund.

4 As soon as possible after March 8, 2013 (the effective
5 date of Public Act 98-3), the State Comptroller shall order
6 and the State Treasurer shall transfer \$6,600,000 from the
7 Local Government Tax Fund to the Illinois State Medical
8 Disciplinary Fund.

9 (Source: P.A. 102-700, Article 60, Section 60-10, eff.
10 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
11 103-154, eff. 6-30-23.)

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

13 (Text of Section before amendment by P.A. 104-457)

14 Sec. 6z-20. County and Mass Transit District Fund. Of the
15 money received from the 6.25% general rate (and, beginning
16 July 1, 2000 and through December 31, 2000, the 1.25% rate on
17 motor fuel and gasohol, and beginning on August 6, 2010
18 through August 15, 2010, and beginning again on August 5, 2022
19 through August 14, 2022, the 1.25% rate on sales tax holiday
20 items) on sales subject to taxation under the Retailers'
21 Occupation Tax Act and Service Occupation Tax Act and paid
22 into the County and Mass Transit District Fund, distribution
23 to the Regional Transportation Authority tax fund, created
24 pursuant to Section 4.03 of the Regional Transportation
25 Authority Act, for deposit therein shall be made based upon

1 the retail sales occurring in a county having more than
2 3,000,000 inhabitants. The remainder shall be distributed to
3 each county having 3,000,000 or fewer inhabitants based upon
4 the retail sales occurring in each such county.

5 For the purpose of determining allocation to the local
6 government unit, a retail sale by a producer of coal or other
7 mineral mined in Illinois is a sale at retail at the place
8 where the coal or other mineral mined in Illinois is extracted
9 from the earth. This paragraph does not apply to coal or other
10 mineral when it is delivered or shipped by the seller to the
11 purchaser at a point outside Illinois so that the sale is
12 exempt under the United States Constitution as a sale in
13 interstate or foreign commerce.

14 Of the money received from the 6.25% general use tax rate
15 on tangible personal property which is purchased outside
16 Illinois at retail from a retailer and which is titled or
17 registered by any agency of this State's government and paid
18 into the County and Mass Transit District Fund, the amount for
19 which Illinois addresses for titling or registration purposes
20 are given as being in each county having more than 3,000,000
21 inhabitants shall be distributed into the Regional
22 Transportation Authority tax fund, created pursuant to Section
23 4.03 of the Regional Transportation Authority Act. The
24 remainder of the money paid from such sales shall be
25 distributed to each county based on sales for which Illinois
26 addresses for titling or registration purposes are given as

1 being located in the county. Any money paid into the Regional
2 Transportation Authority Occupation and Use Tax Replacement
3 Fund from the County and Mass Transit District Fund prior to
4 January 14, 1991, which has not been paid to the Authority
5 prior to that date, shall be transferred to the Regional
6 Transportation Authority tax fund.

7 Whenever the Department determines that a refund of money
8 paid into the County and Mass Transit District Fund should be
9 made to a claimant instead of issuing a credit memorandum, the
10 Department shall notify the State Comptroller, who shall cause
11 the order to be drawn for the amount specified, and to the
12 person named, in such notification from the Department. Such
13 refund shall be paid by the State Treasurer out of the County
14 and Mass Transit District Fund.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Innovation Development and Economy Act, collected
21 during the second preceding calendar month for sales within a
22 STAR bond district and deposited into the County and Mass
23 Transit District Fund, less 3% of that amount, which shall be
24 transferred into the Tax Compliance and Administration Fund
25 and shall be used by the Department, subject to appropriation,
26 to cover the costs of the Department in administering the

1 Innovation Development and Economy Act.

2 After the monthly transfer to the STAR Bonds Revenue Fund,
3 on or before the 25th day of each calendar month, the
4 Department shall prepare and certify to the Comptroller the
5 disbursement of stated sums of money to the Regional
6 Transportation Authority and to named counties, the counties
7 to be those entitled to distribution, as hereinabove provided,
8 of taxes or penalties paid to the Department during the second
9 preceding calendar month. The amount to be paid to the
10 Regional Transportation Authority and each county having
11 3,000,000 or fewer inhabitants shall be the amount (not
12 including credit memoranda) collected during the second
13 preceding calendar month by the Department and paid into the
14 County and Mass Transit District Fund, plus an amount the
15 Department determines is necessary to offset any amounts which
16 were erroneously paid to a different taxing body, and not
17 including an amount equal to the amount of refunds made during
18 the second preceding calendar month by the Department, and not
19 including any amount which the Department determines is
20 necessary to offset any amounts which were payable to a
21 different taxing body but were erroneously paid to the
22 Regional Transportation Authority or county, and not including
23 any amounts that are transferred to the STAR Bonds Revenue
24 Fund, less 1.5% of the amount to be paid to the Regional
25 Transportation Authority, which shall be transferred into the
26 Tax Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the Regional
2 Transportation Authority, shall prepare and certify to the
3 State Comptroller the amount to be transferred into the Tax
4 Compliance and Administration Fund under this Section. Within
5 10 days after receipt, by the Comptroller, of the disbursement
6 certification to the Regional Transportation Authority,
7 counties, and the Tax Compliance and Administration Fund
8 provided for in this Section to be given to the Comptroller by
9 the Department, the Comptroller shall cause the orders to be
10 drawn for the respective amounts in accordance with the
11 directions contained in such certification.

12 When certifying the amount of a monthly disbursement to
13 the Regional Transportation Authority or to a county under
14 this Section, the Department shall increase or decrease that
15 amount by an amount necessary to offset any misallocation of
16 previous disbursements. The offset amount shall be the amount
17 erroneously disbursed within the 6 months preceding the time a
18 misallocation is discovered.

19 The provisions directing the distributions from the
20 special fund in the State Treasury provided for in this
21 Section and from the Regional Transportation Authority tax
22 fund created by Section 4.03 of the Regional Transportation
23 Authority Act shall constitute an irrevocable and continuing
24 appropriation of all amounts as provided herein. The State
25 Treasurer and State Comptroller are hereby authorized to make
26 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 from
8 the County and Mass Transit District Fund or Local Government
9 Distributive Fund, as the case may be.

10 (Source: P.A. 102-700, eff. 4-19-22.)

11 (Text of Section after amendment by P.A. 104-457)

12 Sec. 6z-20. County and Mass Transit District Fund. Of the
13 money received from the 6.25% general rate (and, beginning
14 July 1, 2000 and through December 31, 2000, the 1.25% rate on
15 motor fuel and gasohol, and beginning on August 6, 2010
16 through August 15, 2010, and beginning again on August 5, 2022
17 through August 14, 2022, the 1.25% rate on sales tax holiday
18 items) on sales subject to taxation under the Retailers'
19 Occupation Tax Act and Service Occupation Tax Act and paid
20 into the County and Mass Transit District Fund, distribution
21 to the Northern Illinois Transit Authority tax fund, created
22 pursuant to Section 4.03 of the Northern Illinois Transit
23 Authority Act, for deposit therein shall be made based upon
24 the retail sales occurring in a county having more than
25 3,000,000 inhabitants. The remainder shall be distributed to

1 each county having 3,000,000 or fewer inhabitants based upon
2 the retail sales occurring in each such county.

3 For the purpose of determining allocation to the local
4 government unit, a retail sale by a producer of coal or other
5 mineral mined in Illinois is a sale at retail at the place
6 where the coal or other mineral mined in Illinois is extracted
7 from the earth. This paragraph does not apply to coal or other
8 mineral when it is delivered or shipped by the seller to the
9 purchaser at a point outside Illinois so that the sale is
10 exempt under the United States Constitution as a sale in
11 interstate or foreign commerce.

12 Of the money received from the 6.25% general use tax rate
13 on tangible personal property which is purchased outside
14 Illinois at retail from a retailer and which is titled or
15 registered by any agency of this State's government and paid
16 into the County and Mass Transit District Fund, the amount for
17 which Illinois addresses for titling or registration purposes
18 are given as being in each county having more than 3,000,000
19 inhabitants shall be distributed into the Northern Illinois
20 Transit Authority tax fund, created pursuant to Section 4.03
21 of the Northern Illinois Transit Authority Act. The remainder
22 of the money paid from such sales shall be distributed to each
23 county based on sales for which Illinois addresses for titling
24 or registration purposes are given as being located in the
25 county. Any money paid into the Northern Illinois Transit
26 Authority Occupation and Use Tax Replacement Fund from the

1 County and Mass Transit District Fund prior to January 14,
2 1991, which has not been paid to the Authority prior to that
3 date, shall be transferred to the Northern Illinois Transit
4 Authority tax fund.

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

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Innovation Development and Economy Act, collected
19 during the second preceding calendar month for sales within a
20 STAR bond district and deposited into the County and Mass
21 Transit District Fund, less 3% of that amount, which shall be
22 transferred into the Tax Compliance and Administration Fund
23 and shall be used by the Department, subject to appropriation,
24 to cover the costs of the Department in administering the
25 Innovation Development and Economy Act.

26 As soon as possible after the first day of each month,

1 beginning July 1, 2026, upon certification of the Department
2 of Revenue, the Comptroller shall order transferred, and the
3 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
4 local sales tax increment, as defined in the Statewide
5 Innovation Development and Economy Act, collected during the
6 second preceding calendar month for sales within a STAR bond
7 district and deposited into the County and Mass Transit
8 District Fund, less 3% of that amount, which shall be
9 transferred into the Tax Compliance and Administration Fund
10 and shall be used by the Department, subject to appropriation,
11 to cover the costs of the Department in administering the
12 Statewide Innovation Development and Economy Act.

13 After the monthly transfers ~~transfer~~ to the STAR Bonds
14 Revenue Fund, on or before the 25th day of each calendar month,
15 the Department shall prepare and certify to the Comptroller
16 the disbursement of stated sums of money to the Northern
17 Illinois Transit Authority and to named counties, the counties
18 to be those entitled to distribution, as hereinabove provided,
19 of taxes or penalties paid to the Department during the second
20 preceding calendar month. The amount to be paid to the
21 Northern Illinois Transit Authority and each county having
22 3,000,000 or fewer inhabitants shall be the amount (not
23 including credit memoranda) collected during the second
24 preceding calendar month by the Department and paid into the
25 County and Mass Transit District Fund, plus an amount the
26 Department determines is necessary to offset any amounts which

1 were erroneously paid to a different taxing body, and not
2 including an amount equal to the amount of refunds made during
3 the second preceding calendar month by the Department, and not
4 including any amount which the Department determines is
5 necessary to offset any amounts which were payable to a
6 different taxing body but were erroneously paid to the
7 Northern Illinois Transit Authority or county, and not
8 including any amounts that are transferred to the STAR Bonds
9 Revenue Fund, less 1.5% of the amount to be paid to the
10 Northern Illinois Transit Authority, which shall be
11 transferred into the Tax Compliance and Administration Fund.
12 The Department, at the time of each monthly disbursement to
13 the Northern Illinois Transit Authority, shall prepare and
14 certify to the State Comptroller the amount to be transferred
15 into the Tax Compliance and Administration Fund under this
16 Section. Within 10 days after receipt, by the Comptroller, of
17 the disbursement certification to the Northern Illinois
18 Transit Authority, counties, and the Tax Compliance and
19 Administration Fund provided for in this Section to be given
20 to the Comptroller by the Department, the Comptroller shall
21 cause the orders to be drawn for the respective amounts in
22 accordance with the directions contained in such
23 certification.

24 When certifying the amount of a monthly disbursement to
25 the Northern Illinois Transit Authority or to a county under
26 this Section, the Department shall increase or decrease that

1 amount by an amount necessary to offset any misallocation of
2 previous disbursements. The offset amount shall be the amount
3 erroneously disbursed within the 6 months preceding the time a
4 misallocation is discovered.

5 The provisions directing the distributions from the
6 special fund in the State treasury provided for in this
7 Section and from the Northern Illinois Transit Authority tax
8 fund created by Section 4.03 of the Northern Illinois Transit
9 Authority Act shall constitute an irrevocable and continuing
10 appropriation of all amounts as provided herein. The State
11 Treasurer and State Comptroller are hereby authorized to make
12 distributions as provided in this Section.

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

22 (Source: P.A. 104-457, eff. 6-1-26.)

23 Section 100-15. The Counties Code is amended by changing
24 Sections 5-1006, 5-1006.8, 5-1006.9, and 5-1007 as follows:

1 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

2 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
3 Law. Any county that is a home rule unit may impose a tax upon
4 all persons engaged in the business of selling tangible
5 personal property, other than an item of tangible personal
6 property titled or registered with an agency of this State's
7 government, at retail in the county on the gross receipts from
8 such sales made in the course of their business. If imposed,
9 this tax shall only be imposed in 1/4% increments. On and after
10 September 1, 1991, this additional tax may not be imposed on
11 tangible personal property taxed at the 1% rate under the
12 Retailers' Occupation Tax Act (or at the 0% rate imposed under
13 this amendatory Act of the 102nd General Assembly). Beginning
14 December 1, 2019, this tax is not imposed on sales of aviation
15 fuel unless the tax revenue is expended for airport-related
16 purposes. If the county does not have an airport-related
17 purpose to which it dedicates aviation fuel tax revenue, then
18 aviation fuel is excluded from the tax. The county must comply
19 with the certification requirements for airport-related
20 purposes under Section 2-22 of the Retailers' Occupation Tax
21 Act. For purposes of this Section, "airport-related purposes"
22 has the meaning ascribed in Section 6z-20.2 of the State
23 Finance Act. This exclusion for aviation fuel only applies for
24 so long as the revenue use requirements of 49 U.S.C. 47107(b)
25 and 49 U.S.C. 47133 are binding on the county. The changes made
26 to this Section by this amendatory Act of the 101st General

1 Assembly are a denial and limitation of home rule powers and
2 functions under subsection (g) of Section 6 of Article VII of
3 the Illinois Constitution.

4 If, on January 1, 2025, a unit of local government has in
5 effect a tax under this Section, or if, after January 1, 2025,
6 a unit of local government imposes a tax under this Section,
7 then that tax applies to leases of tangible personal property
8 in effect, entered into, or renewed on or after that date in
9 the same manner as the tax under this Section and in accordance
10 with the changes made by this amendatory Act of the 103rd
11 General Assembly.

12 The tax imposed by a home rule county pursuant to this
13 Section and all civil penalties that may be assessed as an
14 incident thereof shall be collected and enforced by the State
15 Department of Revenue. The certificate of registration that is
16 issued by the Department to a retailer under the Retailers'
17 Occupation Tax Act shall permit the retailer to engage in a
18 business that is taxable under any ordinance or resolution
19 enacted pursuant to this Section without registering
20 separately with the Department under such ordinance or
21 resolution or under this Section. The Department shall have
22 full power to administer and enforce this Section; to collect
23 all taxes and penalties due hereunder; to dispose of taxes and
24 penalties so collected in the manner hereinafter provided; and
25 to determine all rights to credit memoranda arising on account
26 of the erroneous payment of tax or penalty hereunder. In the

1 administration of, and compliance with, this Section, the
2 Department and persons who are subject to this Section shall
3 have the same rights, remedies, privileges, immunities, powers
4 and duties, and be subject to the same conditions,
5 restrictions, limitations, penalties and definitions of terms,
6 and employ the same modes of procedure, as are prescribed in
7 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through
8 2-65 (in respect to all provisions therein other than the
9 State rate of tax), 3 (except as to the disposition of taxes
10 and penalties collected, and except that the retailer's
11 discount is not allowed for taxes paid on aviation fuel that
12 are subject to the revenue use requirements of 49 U.S.C.
13 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
14 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12
15 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
16 the Uniform Penalty and Interest Act, as fully as if those
17 provisions were set forth herein.

18 No tax may be imposed by a home rule county pursuant to
19 this Section unless the county also imposes a tax at the same
20 rate pursuant to Section 5-1007.

21 Persons subject to any tax imposed pursuant to the
22 authority granted in this Section may reimburse themselves for
23 their seller's tax liability hereunder by separately stating
24 such tax as an additional charge, which charge may be stated in
25 combination, in a single amount, with State tax which sellers
26 are required to collect under the Use Tax Act, pursuant to such

1 bracket schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this Section to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the order to be drawn for the
6 amount specified and to the person named in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the home rule county retailers' occupation
9 tax fund or the Local Government Aviation Trust Fund, as
10 appropriate.

11 Except as otherwise provided in this paragraph, the
12 Department shall forthwith pay over to the State Treasurer, ex
13 officio, as trustee, all taxes and penalties collected
14 hereunder for deposit into the Home Rule County Retailers'
15 Occupation Tax Fund. Taxes and penalties collected on aviation
16 fuel sold on or after December 1, 2019, shall be immediately
17 paid over by the Department to the State Treasurer, ex
18 officio, as trustee, for deposit into the Local Government
19 Aviation Trust Fund. The Department shall only pay moneys into
20 the Local Government Aviation Trust Fund under this Section
21 for so long as the revenue use requirements of 49 U.S.C.
22 47107(b) and 49 U.S.C. 47133 are binding on the county.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this Section during the second preceding calendar month for
4 sales within a STAR bond district.

5 As soon as possible after the first day of each month,
6 beginning July 1, 2026, upon certification of the Department
7 of Revenue, the Comptroller shall order transferred, and the
8 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
9 local sales tax increment, as defined in the Statewide
10 Innovation Development and Economy Act, collected under this
11 Section during the second preceding calendar month for sales
12 within a STAR bond district.

13 After the monthly transfers ~~transfer~~ to the STAR Bonds
14 Revenue Fund, on or before the 25th day of each calendar month,
15 the Department shall prepare and certify to the Comptroller
16 the disbursement of stated sums of money to named counties,
17 the counties to be those from which retailers have paid taxes
18 or penalties hereunder to the Department during the second
19 preceding calendar month. The amount to be paid to each county
20 shall be the amount (not including credit memoranda and not
21 including taxes and penalties collected on aviation fuel sold
22 on or after December 1, 2019) collected hereunder during the
23 second preceding calendar month by the Department plus an
24 amount the Department determines is necessary to offset any
25 amounts that were erroneously paid to a different taxing body,
26 and not including an amount equal to the amount of refunds made

1 during the second preceding calendar month by the Department
2 on behalf of such county, and not including any amount which
3 the Department determines is necessary to offset any amounts
4 which were payable to a different taxing body but were
5 erroneously paid to the county, and not including any amounts
6 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
7 of the remainder, which the Department shall transfer into the
8 Tax Compliance and Administration Fund. The Department, at the
9 time of each monthly disbursement to the counties, shall
10 prepare and certify to the State Comptroller the amount to be
11 transferred into the Tax Compliance and Administration Fund
12 under this Section. Within 10 days after receipt, by the
13 Comptroller, of the disbursement certification to the counties
14 and the Tax Compliance and Administration Fund provided for in
15 this Section to be given to the Comptroller by the Department,
16 the Comptroller shall cause the orders to be drawn for the
17 respective amounts in accordance with the directions contained
18 in the certification.

19 In addition to the disbursement required by the preceding
20 paragraph, an allocation shall be made in March of each year to
21 each county that received more than \$500,000 in disbursements
22 under the preceding paragraph in the preceding calendar year.
23 The allocation shall be in an amount equal to the average
24 monthly distribution made to each such county under the
25 preceding paragraph during the preceding calendar year
26 (excluding the 2 months of highest receipts). The distribution

1 made in March of each year subsequent to the year in which an
2 allocation was made pursuant to this paragraph and the
3 preceding paragraph shall be reduced by the amount allocated
4 and disbursed under this paragraph in the preceding calendar
5 year. The Department shall prepare and certify to the
6 Comptroller for disbursement the allocations made in
7 accordance with this paragraph.

8 For the purpose of determining the local governmental unit
9 whose tax is applicable, a retail sale by a producer of coal or
10 other mineral mined in Illinois is a sale at retail at the
11 place where the coal or other mineral mined in Illinois is
12 extracted from the earth. This paragraph does not apply to
13 coal or other mineral when it is delivered or shipped by the
14 seller to the purchaser at a point outside Illinois so that the
15 sale is exempt under the United States Constitution as a sale
16 in interstate or foreign commerce.

17 Nothing in this Section shall be construed to authorize a
18 county to impose a tax upon the privilege of engaging in any
19 business which under the Constitution of the United States may
20 not be made the subject of taxation by this State.

21 An ordinance or resolution imposing or discontinuing a tax
22 hereunder or effecting a change in the rate thereof shall be
23 adopted and a certified copy thereof filed with the Department
24 on or before the first day of June, whereupon the Department
25 shall proceed to administer and enforce this Section as of the
26 first day of September next following such adoption and

1 filing. Beginning January 1, 1992, an ordinance or resolution
2 imposing or discontinuing the tax hereunder or effecting a
3 change in the rate thereof shall be adopted and a certified
4 copy thereof filed with the Department on or before the first
5 day of July, whereupon the Department shall proceed to
6 administer and enforce this Section as of the first day of
7 October next following such adoption and filing. Beginning
8 January 1, 1993, an ordinance or resolution imposing or
9 discontinuing the tax hereunder or effecting a change in the
10 rate thereof shall be adopted and a certified copy thereof
11 filed with the Department on or before the first day of
12 October, whereupon the Department shall proceed to administer
13 and enforce this Section as of the first day of January next
14 following such adoption and filing. Beginning April 1, 1998,
15 an ordinance or resolution imposing or discontinuing the tax
16 hereunder or effecting a change in the rate thereof shall
17 either (i) be adopted and a certified copy thereof filed with
18 the Department on or before the first day of April, whereupon
19 the Department shall proceed to administer and enforce this
20 Section as of the first day of July next following the adoption
21 and filing; or (ii) be adopted and a certified copy thereof
22 filed with the Department on or before the first day of
23 October, whereupon the Department shall proceed to administer
24 and enforce this Section as of the first day of January next
25 following the adoption and filing.

26 When certifying the amount of a monthly disbursement to a

1 county under this Section, the Department shall increase or
2 decrease such amount by an amount necessary to offset any
3 misallocation of previous disbursements. The offset amount
4 shall be the amount erroneously disbursed within the previous
5 6 months from the time a misallocation is discovered.

6 This Section shall be known and may be cited as the Home
7 Rule County Retailers' Occupation Tax Law.

8 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

9 (55 ILCS 5/5-1006.8)

10 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
11 Law.

12 (a) This Section may be referred to as the County Cannabis
13 Retailers' Occupation Tax Law. The corporate authorities of
14 any county may, by ordinance, impose a tax upon all persons
15 engaged in the business of selling cannabis, other than
16 cannabis purchased under the Compassionate Use of Medical
17 Cannabis Program Act, at retail in the county on the gross
18 receipts from these sales made in the course of that business.
19 If imposed, the tax shall be imposed only in 0.25% increments.
20 The tax rate may not exceed: (i) 3.75% of the gross receipts of
21 sales made in unincorporated areas of the county; and (ii) 3%
22 of the gross receipts of sales made in a municipality located
23 in the county. The tax imposed under this Section and all civil
24 penalties that may be assessed as an incident of the tax shall
25 be collected and enforced by the Department of Revenue. The

1 Department of Revenue shall have full power to administer and
2 enforce this Section; to collect all taxes and penalties due
3 hereunder; to dispose of taxes and penalties so collected in
4 the manner hereinafter provided; and to determine all rights
5 to credit memoranda arising on account of the erroneous
6 payment of tax or penalty under this Section. In the
7 administration of and compliance with this Section, the
8 Department of Revenue and persons who are subject to this
9 Section shall have the same rights, remedies, privileges,
10 immunities, powers and duties, and be subject to the same
11 conditions, restrictions, limitations, penalties, and
12 definitions of terms, and employ the same modes of procedure,
13 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
14 1n, 2 through 2-65 (in respect to all provisions therein other
15 than the State rate of tax), 2a, 2b, 2c, 2i, 3 (except as to
16 the disposition of taxes and penalties collected), 4, 5, 5a,
17 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d,
18 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation
19 Tax Act and Section 3-7 of the Uniform Penalty and Interest Act
20 as fully as if those provisions were set forth in this Section.

21 (b) Persons subject to any tax imposed under the authority
22 granted in this Section may reimburse themselves for their
23 seller's tax liability hereunder by separately stating that
24 tax as an additional charge, which charge may be stated in
25 combination, in a single amount, with any State tax that
26 sellers are required to collect.

1 (c) Whenever the Department of Revenue determines that a
2 refund should be made under this Section to a claimant instead
3 of issuing a credit memorandum, the Department of Revenue
4 shall notify the State Comptroller, who shall cause the order
5 to be drawn for the amount specified and to the person named in
6 the notification from the Department of Revenue.

7 (d) Except as otherwise provided in this Section, the ~~The~~
8 Department of Revenue shall immediately pay over to the State
9 Treasurer, ex officio, as trustee, all taxes and penalties
10 collected hereunder for deposit into the Local Cannabis
11 Retailers' Occupation Tax Trust Fund.

12 As soon as possible after the first day of each month,
13 beginning July 1, 2026, upon certification of the Department
14 of Revenue, the Comptroller shall order transferred, and the
15 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
16 local sales tax increment, as defined in the Statewide
17 Innovation Development and Economy Act, collected under this
18 Section during the second preceding calendar month for sales
19 within a STAR bond district.

20 (e) After the monthly transfer to the STAR Bonds Revenue
21 Fund, on ~~On~~ or before the 25th day of each calendar month, the
22 Department of Revenue shall prepare and certify to the
23 Comptroller the amount of money to be disbursed from the Local
24 Cannabis Retailers' Occupation Tax Trust Fund to counties from
25 which retailers have paid taxes or penalties under this
26 Section during the second preceding calendar month. The amount

1 to be paid to each county shall be the amount (not including
2 credit memoranda) collected under this Section from sales made
3 in the county during the second preceding calendar month, plus
4 an amount the Department of Revenue determines is necessary to
5 offset any amounts that were erroneously paid to a different
6 taxing body, and not including an amount equal to the amount of
7 refunds made during the second preceding calendar month by the
8 Department on behalf of such county, and not including any
9 amount that the Department determines is necessary to offset
10 any amounts that were payable to a different taxing body but
11 were erroneously paid to the county, and not including any
12 amounts that are transferred to the STAR Bonds Revenue Fund,
13 less 1.5% of the remainder, which the Department shall
14 transfer into the Tax Compliance and Administration Fund. The
15 Department, at the time of each monthly disbursement to the
16 counties, shall prepare and certify the State Comptroller the
17 amount to be transferred into the Tax Compliance and
18 Administration Fund under this Section. Within 10 days after
19 receipt by the Comptroller of the disbursement certification
20 to the counties and the Tax Compliance and Administration Fund
21 provided for in this Section to be given to the Comptroller by
22 the Department, the Comptroller shall cause the orders to be
23 drawn for the respective amounts in accordance with the
24 directions contained in the certification.

25 (f) An ordinance or resolution imposing or discontinuing a
26 tax under this Section or effecting a change in the rate

1 thereof that is adopted on or after June 25, 2019 (the
2 effective date of Public Act 101-27) and for which a certified
3 copy is filed with the Department on or before April 1, 2020
4 shall be administered and enforced by the Department beginning
5 on July 1, 2020. For ordinances filed with the Department
6 after April 1, 2020, an ordinance or resolution imposing or
7 discontinuing a tax under this Section or effecting a change
8 in the rate thereof shall either (i) be adopted and a certified
9 copy thereof filed with the Department on or before the first
10 day of April, whereupon the Department shall proceed to
11 administer and enforce this Section as of the first day of July
12 next following the adoption and filing; or (ii) be adopted and
13 a certified copy thereof filed with the Department on or
14 before the first day of October, whereupon the Department
15 shall proceed to administer and enforce this Section as of the
16 first day of January next following the adoption and filing.

17 (g) Notwithstanding any provision in this Section to the
18 contrary, if an ordinance or resolution imposing a tax under
19 this Section was adopted on or before October 1, 2020 and a
20 certified copy thereof was filed with the Department of
21 Revenue on or before November 1, 2020, then the Department
22 shall proceed to administer and enforce this Section as of May
23 1, 2021 for such ordinances or resolutions.

24 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
25 101-593, eff. 12-4-19; 102-2, eff. 4-2-21.)

1 (55 ILCS 5/5-1006.9)

2 Sec. 5-1006.9. County Grocery Occupation Tax Law.

3 (a) The corporate authorities of any county may, by
4 ordinance or resolution that takes effect on or after January
5 1, 2026, impose a tax upon all persons engaged in the business
6 of selling groceries at retail in the county, but outside of
7 any municipality, on the gross receipts from those sales made
8 in the course of that business. If imposed, the tax shall be at
9 the rate of 1% of the gross receipts from these sales.

10 The tax imposed by a county under this subsection and all
11 civil penalties that may be assessed as an incident of the tax
12 shall be collected and enforced by the Department. The
13 certificate of registration that is issued by the Department
14 to a retailer under the Retailers' Occupation Tax Act shall
15 permit the retailer to engage in a business that is taxable
16 under any ordinance or resolution enacted under this
17 subsection without registering separately with the Department
18 under that ordinance or resolution or under this subsection.

19 The Department shall have full power to administer and
20 enforce this subsection; to collect all taxes and penalties
21 due under this subsection; to dispose of taxes and penalties
22 so collected in the manner provided in this Section and under
23 rules adopted by the Department; and to determine all rights
24 to credit memoranda arising on account of the erroneous
25 payment of tax or penalty under this subsection.

26 In the administration of, and compliance with, this

1 subsection, the Department and persons who are subject to this
2 subsection shall have the same rights, remedies, privileges,
3 immunities, powers, and duties, and be subject to the same
4 conditions, restrictions, limitations, penalties and
5 definitions of terms, and employ the same modes of procedure,
6 as are prescribed in Sections 1, 2 through 2-65 (in respect to
7 all provisions therein other than the State rate of tax and
8 other than the exemption for food for human consumption that
9 is to be consumed off the premises where it is sold (other than
10 alcoholic beverages, food consisting of or infused with adult
11 use cannabis, soft drinks, candy, and food that has been
12 prepared for immediate consumption), which is authorized to be
13 taxed as provided in this subsection), 2c, 3 (except as to the
14 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
15 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
16 11a, 12 and 13 of the Retailers' Occupation Tax Act and all of
17 the Uniform Penalty and Interest Act, as fully as if those
18 provisions were set forth in this Section.

19 Persons subject to any tax imposed under the authority
20 granted in this subsection may reimburse themselves for their
21 seller's tax liability hereunder by separately stating that
22 tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with State tax that sellers
24 are required to collect under the Use Tax Act, pursuant to such
25 bracket schedules as the Department may prescribe.

26 (b) If a tax has been imposed under subsection (a), then a

1 service occupation tax must also be imposed at the same rate
2 upon all persons engaged, in the county but outside of a
3 municipality, in the business of making sales of service, who,
4 as an incident to making those sales of service, transfer
5 groceries, as defined in this Section, as an incident to a sale
6 of service.

7 The tax imposed under this subsection and all civil
8 penalties that may be assessed as an incident thereof shall be
9 collected and enforced by the Department. The certificate of
10 registration that is issued by the Department to a retailer
11 under the Retailers' Occupation Tax Act or the Service
12 Occupation Tax Act shall permit the registrant to engage in a
13 business that is taxable under any ordinance or resolution
14 enacted pursuant to this subsection without registering
15 separately with the Department under the ordinance or
16 resolution or under this subsection.

17 The Department shall have full power to administer and
18 enforce this subsection, to collect all taxes and penalties
19 due under this subsection, to dispose of taxes and penalties
20 so collected in the manner provided in this Section and under
21 rules adopted by the Department, and to determine all rights
22 to credit memoranda arising on account of the erroneous
23 payment of a tax or penalty under this subsection.

24 In the administration of and compliance with this
25 subsection, the Department and persons who are subject to this
26 subsection shall have the same rights, remedies, privileges,

1 immunities, powers and duties, and be subject to the same
2 conditions, restrictions, limitations, penalties and
3 definitions of terms, and employ the same modes of procedure
4 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
5 to all provisions contained in those Sections other than: (i)
6 the State rate of tax; (ii) the exemption for food for human
7 consumption that is to be consumed off the premises where it is
8 sold (other than alcoholic beverages, food consisting of or
9 infused with adult use cannabis, soft drinks, candy, and food
10 that has been prepared for immediate consumption), which is
11 authorized to be taxed as provided in this subsection; and
12 (iii) the exemption for food prepared for immediate
13 consumption and transferred incident to a sale of service
14 subject to the Service Occupation Tax Act or the Service Use
15 Tax Act by an entity licensed under the Hospital Licensing
16 Act, the Nursing Home Care Act, the Assisted Living and Shared
17 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
18 Specialized Mental Health Rehabilitation Act of 2013, or the
19 Child Care Act of 1969, or an entity that holds a permit issued
20 pursuant to the Life Care Facilities Act, which is authorized
21 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
22 (except as to the disposition of taxes and penalties
23 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
24 Service Occupation Tax Act and all provisions of the Uniform
25 Penalty and Interest Act, as fully as if those provisions were
26 set forth in this Section.

1 Persons subject to any tax imposed under the authority
2 granted in this subsection may reimburse themselves for their
3 serviceman's tax liability by separately stating the tax as an
4 additional charge, which may be stated in combination, in a
5 single amount, with State tax that servicemen are authorized
6 to collect under the Service Use Tax Act, pursuant to any
7 bracketed schedules set forth by the Department.

8 (c) The Department shall immediately pay over to the State
9 Treasurer, ex officio, as trustee, all taxes and penalties
10 collected under this Section. Those taxes and penalties shall
11 be deposited into the County Grocery Tax Trust Fund, a trust
12 fund created in the State treasury. Except as otherwise
13 provided in this Section, moneys in the County Grocery Tax
14 Trust Fund shall be used to make payments to counties and for
15 the payment of refunds under this Section.

16 Moneys deposited into the County Grocery Tax Trust Fund
17 under this Section are not subject to appropriation and shall
18 be used as provided in this Section. All deposits into the
19 County Grocery Tax Trust Fund shall be held in the County
20 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
21 trustee separate and apart from all public moneys or funds of
22 this State.

23 Whenever the Department determines that a refund should be
24 made under this Section to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified and to the person named in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the County Grocery Tax Trust Fund.

4 (d) As soon as possible after the first day of each month,
5 upon certification of the Department, the Comptroller shall
6 order transferred, and the Treasurer shall transfer, to the
7 STAR Bonds Revenue Fund the local sales tax increment, if any,
8 as defined in the Innovation Development and Economy Act,
9 collected under this Section.

10 As soon as possible after the first day of each month, upon
11 certification of the Department of Revenue, the Comptroller
12 shall order transferred, and the Treasurer shall transfer, to
13 the STAR Bonds Revenue Fund the local sales tax increment, as
14 defined in the Statewide Innovation Development and Economy
15 Act, collected under this Section during the second preceding
16 calendar month for sales within a STAR bond district.

17 After the monthly transfers ~~transfer~~ to the STAR Bonds
18 Revenue Fund, if any, on or before the 25th day of each
19 calendar month, the Department shall prepare and certify to
20 the Comptroller the disbursement of stated sums of money to
21 named counties, the counties to be those from which retailers
22 have paid taxes or penalties under this Section to the
23 Department during the second preceding calendar month. The
24 amount to be paid to each county shall be the amount (not
25 including credit memoranda) collected under this Section
26 during the second preceding calendar month by the Department

1 plus an amount the Department determines is necessary to
2 offset any amounts that were erroneously paid to a different
3 taxing body, and not including an amount equal to the amount of
4 refunds made during the second preceding calendar month by the
5 Department on behalf of such county, and not including any
6 amount that the Department determines is necessary to offset
7 any amounts that were payable to a different taxing body but
8 were erroneously paid to the county, and not including any
9 amounts that are transferred to the STAR Bonds Revenue Fund.
10 Within 10 days after receipt by the Comptroller of the
11 disbursement certification to the counties provided for in
12 this Section to be given to the Comptroller by the Department,
13 the Comptroller shall cause the orders to be drawn for the
14 amounts in accordance with the directions contained in the
15 certification.

16 (e) Nothing in this Section shall be construed to
17 authorize a county to impose a tax upon the privilege of
18 engaging in any business which under the Constitution of the
19 United States may not be made the subject of taxation by this
20 State.

21 (f) Except as otherwise provided in this subsection, an
22 ordinance or resolution imposing or discontinuing the tax
23 hereunder or effecting a change in the rate thereof shall
24 either (i) be adopted and a certified copy thereof filed with
25 the Department on or before the first day of April, whereupon
26 the Department shall proceed to administer and enforce this

1 Section as of the first day of July next following the adoption
2 and filing, or (ii) be adopted and a certified copy thereof
3 filed with the Department on or before the first day of
4 October, whereupon the Department shall proceed to administer
5 and enforce this Section as of the first day of January next
6 following the adoption and filing.

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

13 (h) As used in this Section, "Department" means the
14 Department of Revenue.

15 For purposes of the tax authorized to be imposed under
16 subsection (a), "groceries" has the same meaning as "food for
17 human consumption that is to be consumed off the premises
18 where it is sold (other than alcoholic beverages, food
19 consisting of or infused with adult use cannabis, soft drinks,
20 candy, and food that has been prepared for immediate
21 consumption)", as further defined in Section 2-10 of the
22 Retailers' Occupation Tax Act.

23 For purposes of the tax authorized to be imposed under
24 subsection (b), "groceries" has the same meaning as "food for
25 human consumption that is to be consumed off the premises
26 where it is sold (other than alcoholic beverages, food

1 consisting of or infused with adult use cannabis, soft drinks,
2 candy, and food that has been prepared for immediate
3 consumption)", as further defined in Section 3-10 of the
4 Service Occupation Tax Act.

5 For purposes of the tax authorized to be imposed under
6 subsection (b), "groceries" also means food prepared for
7 immediate consumption and transferred incident to a sale of
8 service subject to the Service Occupation Tax Act or the
9 Service Use Tax Act by an entity licensed under the Hospital
10 Licensing Act, the Nursing Home Care Act, the Assisted Living
11 and Shared Housing Act, the ID/DD Community Care Act, the
12 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
13 2013, or the Child Care Act of 1969, or an entity that holds a
14 permit issued pursuant to the Life Care Facilities Act.

15 (i) This Section may be referred to as the County Grocery
16 Occupation Tax Law.

17 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

18 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

19 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
20 The corporate authorities of a home rule county may impose a
21 tax upon all persons engaged, in such county, in the business
22 of making sales of service at the same rate of tax imposed
23 pursuant to Section 5-1006 of the selling price of all
24 tangible personal property transferred by such servicemen
25 either in the form of tangible personal property or in the form

1 of real estate as an incident to a sale of service. If imposed,
2 such tax shall only be imposed in 1/4% increments. On and after
3 September 1, 1991, this additional tax may not be imposed on
4 tangible personal property taxed at the 1% rate under the
5 Service Occupation Tax Act (or at the 0% rate imposed under
6 this amendatory Act of the 102nd General Assembly). Beginning
7 December 1, 2019, this tax is not imposed on sales of aviation
8 fuel unless the tax revenue is expended for airport-related
9 purposes. If the county does not have an airport-related
10 purpose to which it dedicates aviation fuel tax revenue, then
11 aviation fuel is excluded from the tax. The county must comply
12 with the certification requirements for airport-related
13 purposes under Section 2-22 of the Retailers' Occupation Tax
14 Act. For purposes of this Section, "airport-related purposes"
15 has the meaning ascribed in Section 6z-20.2 of the State
16 Finance Act. This exclusion for aviation fuel only applies for
17 so long as the revenue use requirements of 49 U.S.C. 47107(b)
18 and 49 U.S.C. 47133 are binding on the county. The changes made
19 to this Section by this amendatory Act of the 101st General
20 Assembly are a denial and limitation of home rule powers and
21 functions under subsection (g) of Section 6 of Article VII of
22 the Illinois Constitution. The tax imposed by a home rule
23 county pursuant to this Section and all civil penalties that
24 may be assessed as an incident thereof shall be collected and
25 enforced by the State Department of Revenue. The certificate
26 of registration which is issued by the Department to a

1 retailer under the Retailers' Occupation Tax Act or under the
2 Service Occupation Tax Act shall permit such registrant to
3 engage in a business which is taxable under any ordinance or
4 resolution enacted pursuant to this Section without
5 registering separately with the Department under such
6 ordinance or resolution or under this Section. The Department
7 shall have full power to administer and enforce this Section;
8 to collect all taxes and penalties due hereunder; to dispose
9 of taxes and penalties so collected in the manner hereinafter
10 provided; and to determine all rights to credit memoranda
11 arising on account of the erroneous payment of tax or penalty
12 hereunder. In the administration of, and compliance with, this
13 Section the Department and persons who are subject to this
14 Section shall have the same rights, remedies, privileges,
15 immunities, powers and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties and
17 definitions of terms, and employ the same modes of procedure,
18 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
19 respect to all provisions therein other than the State rate of
20 tax), 4 (except that the reference to the State shall be to the
21 taxing county), 5, 7, 8 (except that the jurisdiction to which
22 the tax shall be a debt to the extent indicated in that Section
23 8 shall be the taxing county), 9 (except as to the disposition
24 of taxes and penalties collected, and except that the returned
25 merchandise credit for this county tax may not be taken
26 against any State tax, and except that the retailer's discount

1 is not allowed for taxes paid on aviation fuel that are subject
2 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133), 10, 11, 12 (except the reference therein to
4 Section 2b of the Retailers' Occupation Tax Act), 13 (except
5 that any reference to the State shall mean the taxing county),
6 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
7 Service Occupation Tax Act and Section 3-7 of the Uniform
8 Penalty and Interest Act, as fully as if those provisions were
9 set forth herein.

10 No tax may be imposed by a home rule county pursuant to
11 this Section unless such county also imposes a tax at the same
12 rate pursuant to Section 5-1006.

13 If, on January 1, 2025, a unit of local government has in
14 effect a tax under this Section, or if, after January 1, 2025,
15 a unit of local government imposes a tax under this Section,
16 then that tax applies to leases of tangible personal property
17 in effect, entered into, or renewed on or after that date in
18 the same manner as the tax under this Section and in accordance
19 with the changes made by this amendatory Act of the 103rd
20 General Assembly.

21 Persons subject to any tax imposed pursuant to the
22 authority granted in this Section may reimburse themselves for
23 their serviceman's tax liability hereunder by separately
24 stating such tax as an additional charge, which charge may be
25 stated in combination, in a single amount, with State tax
26 which servicemen are authorized to collect under the Service

1 Use Tax Act, pursuant to such bracket schedules as the
2 Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant instead of issuing
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named, in such
8 notification from the Department. Such refund shall be paid by
9 the State Treasurer out of the home rule county retailers'
10 occupation tax fund or the Local Government Aviation Trust
11 Fund, as appropriate.

12 Except as otherwise provided in this paragraph, the
13 Department shall forthwith pay over to the State Treasurer, ex
14 officio, as trustee, all taxes and penalties collected
15 hereunder for deposit into the Home Rule County Retailers'
16 Occupation Tax Fund. Taxes and penalties collected on aviation
17 fuel sold on or after December 1, 2019, shall be immediately
18 paid over by the Department to the State Treasurer, ex
19 officio, as trustee, for deposit into the Local Government
20 Aviation Trust Fund. The Department shall only pay moneys into
21 the Local Government Aviation Trust Fund under this Section
22 for so long as the revenue use requirements of 49 U.S.C.
23 47107(b) and 49 U.S.C. 47133 are binding on the county.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2011, upon certification of the
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR
2 Bonds Revenue Fund the local sales tax increment, as defined
3 in the Innovation Development and Economy Act, collected under
4 this Section during the second preceding calendar month for
5 sales within a STAR bond district.

6 As soon as possible after the first day of each month,
7 beginning July 1, 2026, upon certification of the Department
8 of Revenue, the Comptroller shall order transferred, and the
9 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
10 local sales tax increment, as defined in the Statewide
11 Innovation Development and Economy Act, collected under this
12 Section during the second preceding calendar month for sales
13 within a STAR bond district.

14 After the monthly transfers ~~transfer~~ to the STAR Bonds
15 Revenue Fund, on or before the 25th day of each calendar month,
16 the Department shall prepare and certify to the Comptroller
17 the disbursement of stated sums of money to named counties,
18 the counties to be those from which suppliers and servicemen
19 have paid taxes or penalties hereunder to the Department
20 during the second preceding calendar month. The amount to be
21 paid to each county shall be the amount (not including credit
22 memoranda and not including taxes and penalties collected on
23 aviation fuel sold on or after December 1, 2019) collected
24 hereunder during the second preceding calendar month by the
25 Department, and not including an amount equal to the amount of
26 refunds made during the second preceding calendar month by the

1 Department on behalf of such county, and not including any
2 amounts that are transferred to the STAR Bonds Revenue Fund,
3 less 1.5% of the remainder, which the Department shall
4 transfer into the Tax Compliance and Administration Fund. The
5 Department, at the time of each monthly disbursement to the
6 counties, shall prepare and certify to the State Comptroller
7 the amount to be transferred into the Tax Compliance and
8 Administration Fund under this Section. Within 10 days after
9 receipt, by the Comptroller, of the disbursement certification
10 to the counties and the Tax Compliance and Administration Fund
11 provided for in this Section to be given to the Comptroller by
12 the Department, the Comptroller shall cause the orders to be
13 drawn for the respective amounts in accordance with the
14 directions contained in such certification.

15 In addition to the disbursement required by the preceding
16 paragraph, an allocation shall be made in each year to each
17 county which received more than \$500,000 in disbursements
18 under the preceding paragraph in the preceding calendar year.
19 The allocation shall be in an amount equal to the average
20 monthly distribution made to each such county under the
21 preceding paragraph during the preceding calendar year
22 (excluding the 2 months of highest receipts). The distribution
23 made in March of each year subsequent to the year in which an
24 allocation was made pursuant to this paragraph and the
25 preceding paragraph shall be reduced by the amount allocated
26 and disbursed under this paragraph in the preceding calendar

1 year. The Department shall prepare and certify to the
2 Comptroller for disbursement the allocations made in
3 accordance with this paragraph.

4 Nothing in this Section shall be construed to authorize a
5 county to impose a tax upon the privilege of engaging in any
6 business which under the Constitution of the United States may
7 not be made the subject of taxation by this State.

8 An ordinance or resolution imposing or discontinuing a tax
9 hereunder or effecting a change in the rate thereof shall be
10 adopted and a certified copy thereof filed with the Department
11 on or before the first day of June, whereupon the Department
12 shall proceed to administer and enforce this Section as of the
13 first day of September next following such adoption and
14 filing. Beginning January 1, 1992, an ordinance or resolution
15 imposing or discontinuing the tax hereunder or effecting a
16 change in the rate thereof shall be adopted and a certified
17 copy thereof filed with the Department on or before the first
18 day of July, whereupon the Department shall proceed to
19 administer and enforce this Section as of the first day of
20 October next following such adoption and filing. Beginning
21 January 1, 1993, an ordinance or resolution imposing or
22 discontinuing the tax hereunder or effecting a change in the
23 rate thereof shall be adopted and a certified copy thereof
24 filed with the Department on or before the first day of
25 October, whereupon the Department shall proceed to administer
26 and enforce this Section as of the first day of January next

1 following such adoption and filing. Beginning April 1, 1998,
2 an ordinance or resolution imposing or discontinuing the tax
3 hereunder or effecting a change in the rate thereof shall
4 either (i) be adopted and a certified copy thereof filed with
5 the Department on or before the first day of April, whereupon
6 the Department shall proceed to administer and enforce this
7 Section as of the first day of July next following the adoption
8 and filing; or (ii) be adopted and a certified copy thereof
9 filed with the Department on or before the first day of
10 October, whereupon the Department shall proceed to administer
11 and enforce this Section as of the first day of January next
12 following the adoption and filing.

13 This Section shall be known and may be cited as the Home
14 Rule County Service Occupation Tax Law.

15 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

16 Section 100-20. The Illinois Municipal Code is amended by
17 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
18 8-11-1.7, 8-11-5, 8-11-23, 8-11-24, and 11-74.3-6 as follows:

19 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

20 Sec. 8-4-1. No bonds shall be issued by the corporate
21 authorities of any municipality until the question of
22 authorizing such bonds has been submitted to the electors of
23 that municipality provided that notice of the bond referendum,
24 if held before July 1, 1999, has been given in accordance with

1 the provisions of Section 12-5 of the Election Code in effect
2 at the time of the bond referendum, at least 10 and not more
3 than 45 days before the date of the election, notwithstanding
4 the time for publication otherwise imposed by Section 12-5,
5 and approved by a majority of the electors voting upon that
6 question. Notices required in connection with the submission
7 of public questions on or after July 1, 1999 shall be as set
8 forth in Section 12-5 of the Election Code. The clerk shall
9 certify the proposition of the corporate authorities to the
10 proper election authority who shall submit the question at an
11 election in accordance with the general election law, subject
12 to the notice provisions set forth in this Section.

13 Notice of any such election shall contain the amount of
14 the bond issue, purpose for which issued, and maximum rate of
15 interest.

16 In addition to all other authority to issue bonds, the
17 Village of Indian Head Park is authorized to issue bonds for
18 the purpose of paying the costs of making roadway improvements
19 in an amount not to exceed the aggregate principal amount of
20 \$2,500,000, provided that 60% of the votes cast at the general
21 primary election held on March 18, 2014 are cast in favor of
22 the issuance of the bonds, and the bonds are issued by December
23 31, 2014.

24 However, without the submission of the question of issuing
25 bonds to the electors, the corporate authorities of any
26 municipality may authorize the issuance of any of the

1 following bonds:

2 (1) Bonds to refund any existing bonded indebtedness;

3 (2) Bonds to fund or refund any existing judgment
4 indebtedness;

5 (3) In any municipality of less than 500,000
6 population, bonds to anticipate the collection of
7 installments of special assessments and special taxes
8 against property owned by the municipality and to
9 anticipate the collection of the amount apportioned to the
10 municipality as public benefits under Article 9;

11 (4) Bonds issued by any municipality under Sections
12 8-4-15 through 8-4-23, 11-23-1 through 11-23-12, 11-26-1
13 through 11-26-6, 11-71-1 through 11-71-10, 11-74.3-1
14 through 11-74.3-7, 11-74.4-1 through 11-74.4-11, 11-74.5-1
15 through 11-74.5-15, 11-94-1 through 11-94-7, 11-102-1
16 through 11-102-10, 11-103-11 through 11-103-15, 11-118-1
17 through 11-118-6, 11-119-1 through 11-119-5, 11-129-1
18 through 11-129-7, 11-133-1 through 11-133-4, 11-139-1
19 through 11-139-12, 11-141-1 through 11-141-18 of this
20 Code, or 10-801 through 10-808 of the Illinois Highway
21 Code;

22 (5) Bonds issued by the board of education of any
23 school district under the provisions of Sections 34-30
24 through 34-36 of the School Code;

25 (6) Bonds issued by any municipality under the
26 provisions of Division 6 of this Article 8; and by any

1 municipality under the provisions of Division 7 of this
2 Article 8; or under the provisions of Sections 11-121-4
3 and 11-121-5;

4 (7) Bonds to pay for the purchase of voting machines
5 by any municipality that has adopted Article 24 of the
6 Election Code;

7 (8) Bonds issued by any municipality under Sections 15
8 and 46 of the Environmental Protection Act;

9 (9) Bonds issued by the corporate authorities of any
10 municipality under the provisions of Section 8-4-25 of
11 this Article 8;

12 (10) Bonds issued under Section 8-4-26 of this Article
13 8 by any municipality having a board of election
14 commissioners;

15 (11) Bonds issued under the provisions of the Special
16 Service Area Tax Act (repealed);

17 (12) Bonds issued under Section 8-5-16 of this Code;

18 (13) Bonds to finance the cost of the acquisition,
19 construction, or improvement of water or wastewater
20 treatment facilities mandated by an enforceable compliance
21 schedule developed in connection with the federal Clean
22 Water Act or a compliance order issued by the United
23 States Environmental Protection Agency or the Illinois
24 Pollution Control Board; provided that such bonds are
25 authorized by an ordinance adopted by a three-fifths
26 majority of the corporate authorities of the municipality

1 issuing the bonds which ordinance shall specify that the
2 construction or improvement of such facilities is
3 necessary to alleviate an emergency condition in such
4 municipality;

5 (14) Bonds issued by any municipality pursuant to
6 Section 11-113.1-1;

7 (15) Bonds issued under Sections 11-74.6-1 through
8 11-74.6-45, the Industrial Jobs Recovery Law of this Code;

9 (16) Bonds issued under the Innovation Development and
10 Economy Act, except as may be required by Section 35 of
11 that Act.

12 (17) Bonds issued under the Statewide Innovation
13 Development and Economy Act, except as may be required by
14 Section 5-60 of that Act.

15 (Source: P.A. 102-587, eff. 1-1-22; 103-605, eff. 7-1-24.)

16 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

17 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
18 Act. The corporate authorities of a home rule municipality may
19 impose a tax upon all persons engaged in the business of
20 selling tangible personal property, other than an item of
21 tangible personal property titled or registered with an agency
22 of this State's government, at retail in the municipality on
23 the gross receipts from these sales made in the course of such
24 business. If imposed, the tax shall only be imposed in 1/4%
25 increments. On and after September 1, 1991, this additional

1 tax may not be imposed on tangible personal property taxed at
2 the 1% rate under the Retailers' Occupation Tax Act (or at the
3 0% rate imposed under this amendatory Act of the 102nd General
4 Assembly). Beginning December 1, 2019, this tax is not imposed
5 on sales of aviation fuel unless the tax revenue is expended
6 for airport-related purposes. If a municipality does not have
7 an airport-related purpose to which it dedicates aviation fuel
8 tax revenue, then aviation fuel is excluded from the tax. Each
9 municipality must comply with the certification requirements
10 for airport-related purposes under Section 2-22 of the
11 Retailers' Occupation Tax Act. For purposes of this Section,
12 "airport-related purposes" has the meaning ascribed in Section
13 6z-20.2 of the State Finance Act. This exclusion for aviation
14 fuel only applies for so long as the revenue use requirements
15 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
16 municipality. The changes made to this Section by this
17 amendatory Act of the 101st General Assembly are a denial and
18 limitation of home rule powers and functions under subsection
19 (g) of Section 6 of Article VII of the Illinois Constitution.
20 The tax imposed by a home rule municipality under this Section
21 and all civil penalties that may be assessed as an incident of
22 the tax shall be collected and enforced by the State
23 Department of Revenue. The certificate of registration that is
24 issued by the Department to a retailer under the Retailers'
25 Occupation Tax Act shall permit the retailer to engage in a
26 business that is taxable under any ordinance or resolution

1 enacted pursuant to this Section without registering
2 separately with the Department under such ordinance or
3 resolution or under this Section. The Department shall have
4 full power to administer and enforce this Section; to collect
5 all taxes and penalties due hereunder; to dispose of taxes and
6 penalties so collected in the manner hereinafter provided; and
7 to determine all rights to credit memoranda arising on account
8 of the erroneous payment of tax or penalty hereunder. In the
9 administration of, and compliance with, this Section the
10 Department and persons who are subject to this Section shall
11 have the same rights, remedies, privileges, immunities, powers
12 and duties, and be subject to the same conditions,
13 restrictions, limitations, penalties and definitions of terms,
14 and employ the same modes of procedure, as are prescribed in
15 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
16 (in respect to all provisions therein other than the State
17 rate of tax), 2c, 3 (except as to the disposition of taxes and
18 penalties collected, and except that the retailer's discount
19 is not allowed for taxes paid on aviation fuel that are subject
20 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
21 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
22 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
23 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
24 Penalty and Interest Act, as fully as if those provisions were
25 set forth herein.

26 No tax may be imposed by a home rule municipality under

1 this Section unless the municipality also imposes a tax at the
2 same rate under Section 8-11-5 of this Act.

3 If, on January 1, 2025, a unit of local government has in
4 effect a tax under this Section, or if, after January 1, 2025,
5 a unit of local government imposes a tax under this Section,
6 then that tax applies to leases of tangible personal property
7 in effect, entered into, or renewed on or after that date in
8 the same manner as the tax under this Section and in accordance
9 with the changes made by this amendatory Act of the 103rd
10 General Assembly.

11 Persons subject to any tax imposed under the authority
12 granted in this Section may reimburse themselves for their
13 seller's tax liability hereunder by separately stating that
14 tax as an additional charge, which charge may be stated in
15 combination, in a single amount, with State tax which sellers
16 are required to collect under the Use Tax Act, pursuant to such
17 bracket schedules as the Department may prescribe.

18 Whenever the Department determines that a refund should be
19 made under this Section to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the order to be drawn for the
22 amount specified and to the person named in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the home rule municipal retailers' occupation
25 tax fund or the Local Government Aviation Trust Fund, as
26 appropriate.

1 Except as otherwise provided in this paragraph, the
2 Department shall immediately pay over to the State Treasurer,
3 ex officio, as trustee, all taxes and penalties collected
4 hereunder for deposit into the Home Rule Municipal Retailers'
5 Occupation Tax Fund. Taxes and penalties collected on aviation
6 fuel sold on or after December 1, 2019, shall be immediately
7 paid over by the Department to the State Treasurer, ex
8 officio, as trustee, for deposit into the Local Government
9 Aviation Trust Fund. The Department shall only pay moneys into
10 the Local Government Aviation Trust Fund under this Section
11 for so long as the revenue use requirements of 49 U.S.C.
12 47107(b) and 49 U.S.C. 47133 are binding on the State.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Innovation Development and Economy Act, collected under
19 this Section during the second preceding calendar month for
20 sales within a STAR bond district.

21 As soon as possible after the first day of each month,
22 beginning July 1, 2026, upon certification of the Department
23 of Revenue, the Comptroller shall order transferred, and the
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
25 local sales tax increment, as defined in the Statewide
26 Innovation Development and Economy Act, collected under this

1 Section during the second preceding calendar month for sales
2 within a STAR bond district.

3 After the monthly transfers ~~transfer~~ to the STAR Bonds
4 Revenue Fund, on or before the 25th day of each calendar month,
5 the Department shall prepare and certify to the Comptroller
6 the disbursement of stated sums of money to named
7 municipalities, the municipalities to be those from which
8 retailers have paid taxes or penalties hereunder to the
9 Department during the second preceding calendar month. The
10 amount to be paid to each municipality shall be the amount (not
11 including credit memoranda and not including taxes and
12 penalties collected on aviation fuel sold on or after December
13 1, 2019) collected hereunder during the second preceding
14 calendar month by the Department plus an amount the Department
15 determines is necessary to offset any amounts that were
16 erroneously paid to a different taxing body, and not including
17 an amount equal to the amount of refunds made during the second
18 preceding calendar month by the Department on behalf of such
19 municipality, and not including any amount that the Department
20 determines is necessary to offset any amounts that were
21 payable to a different taxing body but were erroneously paid
22 to the municipality, and not including any amounts that are
23 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
24 remainder, which the Department shall transfer into the Tax
25 Compliance and Administration Fund. The Department, at the
26 time of each monthly disbursement to the municipalities, shall

1 prepare and certify to the State Comptroller the amount to be
2 transferred into the Tax Compliance and Administration Fund
3 under this Section. Within 10 days after receipt by the
4 Comptroller of the disbursement certification to the
5 municipalities and the Tax Compliance and Administration Fund
6 provided for in this Section to be given to the Comptroller by
7 the Department, the Comptroller shall cause the orders to be
8 drawn for the respective amounts in accordance with the
9 directions contained in the certification.

10 In addition to the disbursement required by the preceding
11 paragraph and in order to mitigate delays caused by
12 distribution procedures, an allocation shall, if requested, be
13 made within 10 days after January 14, 1991, and in November of
14 1991 and each year thereafter, to each municipality that
15 received more than \$500,000 during the preceding fiscal year,
16 (July 1 through June 30) whether collected by the municipality
17 or disbursed by the Department as required by this Section.
18 Within 10 days after January 14, 1991, participating
19 municipalities shall notify the Department in writing of their
20 intent to participate. In addition, for the initial
21 distribution, participating municipalities shall certify to
22 the Department the amounts collected by the municipality for
23 each month under its home rule occupation and service
24 occupation tax during the period July 1, 1989 through June 30,
25 1990. The allocation within 10 days after January 14, 1991,
26 shall be in an amount equal to the monthly average of these

1 amounts, excluding the 2 months of highest receipts. The
2 monthly average for the period of July 1, 1990 through June 30,
3 1991 will be determined as follows: the amounts collected by
4 the municipality under its home rule occupation and service
5 occupation tax during the period of July 1, 1990 through
6 September 30, 1990, plus amounts collected by the Department
7 and paid to such municipality through June 30, 1991, excluding
8 the 2 months of highest receipts. The monthly average for each
9 subsequent period of July 1 through June 30 shall be an amount
10 equal to the monthly distribution made to each such
11 municipality under the preceding paragraph during this period,
12 excluding the 2 months of highest receipts. The distribution
13 made in November 1991 and each year thereafter under this
14 paragraph and the preceding paragraph shall be reduced by the
15 amount allocated and disbursed under this paragraph in the
16 preceding period of July 1 through June 30. The Department
17 shall prepare and certify to the Comptroller for disbursement
18 the allocations made in accordance with this paragraph.

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

1 in interstate or foreign commerce.

2 Nothing in this Section shall be construed to authorize a
3 municipality to impose a tax upon the privilege of engaging in
4 any business which under the Constitution of the United States
5 may not be made the subject of taxation by this State.

6 An ordinance or resolution imposing or discontinuing a tax
7 hereunder or effecting a change in the rate thereof shall be
8 adopted and a certified copy thereof filed with the Department
9 on or before the first day of June, whereupon the Department
10 shall proceed to administer and enforce this Section as of the
11 first day of September next following the adoption and filing.
12 Beginning January 1, 1992, an ordinance or resolution imposing
13 or discontinuing the tax hereunder or effecting a change in
14 the rate thereof shall be adopted and a certified copy thereof
15 filed with the Department on or before the first day of July,
16 whereupon the Department shall proceed to administer and
17 enforce this Section as of the first day of October next
18 following such adoption and filing. Beginning January 1, 1993,
19 an ordinance or resolution imposing or discontinuing the tax
20 hereunder or effecting a change in the rate thereof shall be
21 adopted and a certified copy thereof filed with the Department
22 on or before the first day of October, whereupon the
23 Department shall proceed to administer and enforce this
24 Section as of the first day of January next following the
25 adoption and filing. However, a municipality located in a
26 county with a population in excess of 3,000,000 that elected

1 to become a home rule unit at the general primary election in
2 1994 may adopt an ordinance or resolution imposing the tax
3 under this Section and file a certified copy of the ordinance
4 or resolution with the Department on or before July 1, 1994.
5 The Department shall then proceed to administer and enforce
6 this Section as of October 1, 1994. Beginning April 1, 1998, an
7 ordinance or resolution imposing or discontinuing the tax
8 hereunder or effecting a change in the rate thereof shall
9 either (i) be adopted and a certified copy thereof filed with
10 the Department on or before the first day of April, whereupon
11 the Department shall proceed to administer and enforce this
12 Section as of the first day of July next following the adoption
13 and filing; or (ii) be adopted and a certified copy thereof
14 filed with the Department on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce this Section as of the first day of January next
17 following the adoption and filing.

18 When certifying the amount of a monthly disbursement to a
19 municipality under this Section, the Department shall increase
20 or decrease the amount by an amount necessary to offset any
21 misallocation of previous disbursements. The offset amount
22 shall be the amount erroneously disbursed within the previous
23 6 months from the time a misallocation is discovered.

24 Any unobligated balance remaining in the Municipal
25 Retailers' Occupation Tax Fund on December 31, 1989, which
26 fund was abolished by Public Act 85-1135, and all receipts of

1 municipal tax as a result of audits of liability periods prior
2 to January 1, 1990, shall be paid into the Local Government Tax
3 Fund for distribution as provided by this Section prior to the
4 enactment of Public Act 85-1135. All receipts of municipal tax
5 as a result of an assessment not arising from an audit, for
6 liability periods prior to January 1, 1990, shall be paid into
7 the Local Government Tax Fund for distribution before July 1,
8 1990, as provided by this Section prior to the enactment of
9 Public Act 85-1135; and on and after July 1, 1990, all such
10 receipts shall be distributed as provided in Section 6z-18 of
11 the State Finance Act.

12 As used in this Section, "municipal" and "municipality"
13 means a city, village or incorporated town, including an
14 incorporated town that has superseded a civil township.

15 This Section shall be known and may be cited as the Home
16 Rule Municipal Retailers' Occupation Tax Act.

17 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

18 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

19 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
20 Occupation Tax Act. The corporate authorities of a non-home
21 rule municipality may impose, by ordinance or resolution
22 adopted in the manner described in Section 8-11-1.1, a tax
23 upon all persons engaged in the business of selling tangible
24 personal property, other than on an item of tangible personal
25 property which is titled and registered by an agency of this

1 State's Government, at retail in the municipality. If imposed,
2 the tax shall be imposed on the gross receipts from such sales
3 made in the course of such business. The proceeds of the tax
4 may be used for public infrastructure or for property tax
5 relief or both, as defined in Section 8-11-1.2. If the tax is
6 approved by referendum on or after July 14, 2010 (the
7 effective date of Public Act 96-1057) and before August 5,
8 2024 (the effective date of Public Act 103-781), the corporate
9 authorities of the non-home rule municipality may, until
10 January 1, 2031, use the proceeds of the tax for expenditure on
11 municipal operations, in addition to or in lieu of any
12 expenditure on public infrastructure or for property tax
13 relief. If the tax is approved by an ordinance or resolution
14 adopted on or after August 5, 2024 (the effective date of
15 Public Act 103-781), the corporate authorities of the non-home
16 rule municipality may, until January 1, 2031, use the proceeds
17 of the tax for expenditure on municipal operations, in
18 addition to or in lieu of any expenditure on public
19 infrastructure or for property tax relief. The tax imposed may
20 not be more than 1% and may be imposed only in 1/4% increments.
21 The tax may not be imposed on tangible personal property taxed
22 at the 1% rate under the Retailers' Occupation Tax Act (or at
23 the 0% rate imposed under this amendatory Act of the 102nd
24 General Assembly). Beginning December 1, 2019, this tax is not
25 imposed on sales of aviation fuel unless the tax revenue is
26 expended for airport-related purposes. If a municipality does

1 not have an airport-related purpose to which it dedicates
2 aviation fuel tax revenue, then aviation fuel is excluded from
3 the tax. Each municipality must comply with the certification
4 requirements for airport-related purposes under Section 2-22
5 of the Retailers' Occupation Tax Act. For purposes of this
6 Section, "airport-related purposes" has the meaning ascribed
7 in Section 6z-20.2 of the State Finance Act. This exclusion
8 for aviation fuel only applies for so long as the revenue use
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
10 binding on the municipality. The tax imposed by a municipality
11 pursuant to this Section and all civil penalties that may be
12 assessed as an incident thereof shall be collected and
13 enforced by the State Department of Revenue. The certificate
14 of registration which is issued by the Department to a
15 retailer under the Retailers' Occupation Tax Act shall permit
16 such retailer to engage in a business which is taxable under
17 any ordinance or resolution enacted pursuant to this Section
18 without registering separately with the Department under such
19 ordinance or resolution or under this Section. The Department
20 shall have full power to administer and enforce this Section;
21 to collect all taxes and penalties due hereunder; to dispose
22 of taxes and penalties so collected in the manner hereinafter
23 provided, and to determine all rights to credit memoranda,
24 arising on account of the erroneous payment of tax or penalty
25 hereunder. In the administration of, and compliance with, this
26 Section, the Department and persons who are subject to this

1 Section shall have the same rights, remedies, privileges,
2 immunities, powers and duties, and be subject to the same
3 conditions, restrictions, limitations, penalties and
4 definitions of terms, and employ the same modes of procedure,
5 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
6 2 through 2-65 (in respect to all provisions therein other
7 than the State rate of tax), 2c, 3 (except as to the
8 disposition of taxes and penalties collected, and except that
9 the retailer's discount is not allowed for taxes paid on
10 aviation fuel that are subject to the revenue use requirements
11 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
12 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
13 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
14 Section 3-7 of the Uniform Penalty and Interest Act as fully as
15 if those provisions were set forth herein.

16 No municipality may impose a tax under this Section unless
17 the municipality also imposes a tax at the same rate under
18 Section 8-11-1.4 of this Code.

19 If, on January 1, 2025, a unit of local government has in
20 effect a tax under this Section, or if, after January 1, 2025,
21 a unit of local government imposes a tax under this Section,
22 then that tax applies to leases of tangible personal property
23 in effect, entered into, or renewed on or after that date in
24 the same manner as the tax under this Section and in accordance
25 with the changes made by this amendatory Act of the 103rd
26 General Assembly.

1 Persons subject to any tax imposed pursuant to the
2 authority granted in this Section may reimburse themselves for
3 their seller's tax liability hereunder by separately stating
4 such tax as an additional charge, which charge may be stated in
5 combination, in a single amount, with State tax which sellers
6 are required to collect under the Use Tax Act, pursuant to such
7 bracket schedules as the Department may prescribe.

8 Whenever the Department determines that a refund should be
9 made under this Section to a claimant instead of issuing a
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the order to be drawn for the
12 amount specified, and to the person named, in such
13 notification from the Department. Such refund shall be paid by
14 the State Treasurer out of the non-home rule municipal
15 retailers' occupation tax fund or the Local Government
16 Aviation Trust Fund, as appropriate.

17 Except as otherwise provided, the Department shall
18 forthwith pay over to the State Treasurer, ex officio, as
19 trustee, all taxes and penalties collected hereunder for
20 deposit into the Non-Home Rule Municipal Retailers' Occupation
21 Tax Fund. Taxes and penalties collected on aviation fuel sold
22 on or after December 1, 2019, shall be immediately paid over by
23 the Department to the State Treasurer, ex officio, as trustee,
24 for deposit into the Local Government Aviation Trust Fund. The
25 Department shall only pay moneys into the Local Government
26 Aviation Trust Fund under this Section for so long as the

1 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
2 47133 are binding on the municipality.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2011, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Innovation Development and Economy Act, collected under
9 this Section during the second preceding calendar month for
10 sales within a STAR bond district.

11 As soon as possible after the first day of each month,
12 beginning July 1, 2026, upon certification of the Department
13 of Revenue, the Comptroller shall order transferred, and the
14 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
15 local sales tax increment, as defined in the Statewide
16 Innovation Development and Economy Act, collected under this
17 Section during the second preceding calendar month for sales
18 within a STAR bond district.

19 After the monthly transfers ~~transfer~~ to the STAR Bonds
20 Revenue Fund, on or before the 25th day of each calendar month,
21 the Department shall prepare and certify to the Comptroller
22 the disbursement of stated sums of money to named
23 municipalities, the municipalities to be those from which
24 retailers have paid taxes or penalties hereunder to the
25 Department during the second preceding calendar month. The
26 amount to be paid to each municipality shall be the amount (not

1 including credit memoranda and not including taxes and
2 penalties collected on aviation fuel sold on or after December
3 1, 2019) collected hereunder during the second preceding
4 calendar month by the Department plus an amount the Department
5 determines is necessary to offset any amounts which were
6 erroneously paid to a different taxing body, and not including
7 an amount equal to the amount of refunds made during the second
8 preceding calendar month by the Department on behalf of such
9 municipality, and not including any amount which the
10 Department determines is necessary to offset any amounts which
11 were payable to a different taxing body but were erroneously
12 paid to the municipality, and not including any amounts that
13 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
14 the remainder, which the Department shall transfer into the
15 Tax Compliance and Administration Fund. The Department, at the
16 time of each monthly disbursement to the municipalities, shall
17 prepare and certify to the State Comptroller the amount to be
18 transferred into the Tax Compliance and Administration Fund
19 under this Section. Within 10 days after receipt, by the
20 Comptroller, of the disbursement certification to the
21 municipalities and the Tax Compliance and Administration Fund
22 provided for in this Section to be given to the Comptroller by
23 the Department, the Comptroller shall cause the orders to be
24 drawn for the respective amounts in accordance with the
25 directions contained in such certification.

26 For the purpose of determining the local governmental unit

1 whose tax is applicable, a retail sale, by a producer of coal
2 or other mineral mined in Illinois, is a sale at retail at the
3 place where the coal or other mineral mined in Illinois is
4 extracted from the earth. This paragraph does not apply to
5 coal or other mineral when it is delivered or shipped by the
6 seller to the purchaser at a point outside Illinois so that the
7 sale is exempt under the Federal Constitution as a sale in
8 interstate or foreign commerce.

9 Nothing in this Section shall be construed to authorize a
10 municipality to impose a tax upon the privilege of engaging in
11 any business which under the constitution of the United States
12 may not be made the subject of taxation by this State.

13 When certifying the amount of a monthly disbursement to a
14 municipality under this Section, the Department shall increase
15 or decrease such amount by an amount necessary to offset any
16 misallocation of previous disbursements. The offset amount
17 shall be the amount erroneously disbursed within the previous
18 6 months from the time a misallocation is discovered.

19 The Department of Revenue shall implement Public Act
20 91-649 so as to collect the tax on and after January 1, 2002.

21 As used in this Section, "municipal" and "municipality"
22 mean a city, village, or incorporated town, including an
23 incorporated town which has superseded a civil township.

24 This Section shall be known and may be cited as the
25 Non-Home Rule Municipal Retailers' Occupation Tax Act.

26 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25;

1 103-1055, eff. 12-20-24.)

2 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

3 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
4 Tax Act. The corporate authorities of a non-home rule
5 municipality may impose, by ordinance or resolution adopted in
6 the manner described in Section 8-11-1.1, a tax upon all
7 persons engaged in the municipality in the business of making
8 sales of service. If imposed, the tax shall be imposed on the
9 selling price of all tangible personal property transferred by
10 such servicemen, either in the form of tangible personal
11 property or in the form of real estate, as an incident to a
12 sale of service. The proceeds of the tax may be used for public
13 infrastructure or for property tax relief or both, as defined
14 in Section 8-11-1.2. If the tax is approved by referendum on or
15 after July 14, 2010 (the effective date of Public Act 96-1057)
16 and before August 5, 2024 (the effective date of Public Act
17 103-781), the corporate authorities of a non-home rule
18 municipality may, until January 1, 2031, use the proceeds of
19 the tax for expenditure on municipal operations, in addition
20 to or in lieu of any expenditure on public infrastructure or
21 for property tax relief. If the tax is approved by an ordinance
22 or resolution adopted on or after August 5, 2024 (the
23 effective date of Public Act 103-781), the corporate
24 authorities of the non-home rule municipality may, until
25 January 1, 2031, use the proceeds of the tax for expenditure on

1 municipal operations, in addition to or in lieu of any
2 expenditure on public infrastructure or for property tax
3 relief. The tax imposed may not be more than 1% and may be
4 imposed only in 1/4% increments. The tax may not be imposed on
5 tangible personal property taxed at the 1% rate under the
6 Service Occupation Tax Act (or at the 0% rate imposed under
7 this amendatory Act of the 102nd General Assembly). Beginning
8 December 1, 2019, this tax is not imposed on sales of aviation
9 fuel unless the tax revenue is expended for airport-related
10 purposes. If a municipality does not have an airport-related
11 purpose to which it dedicates aviation fuel tax revenue, then
12 aviation fuel is excluded from the tax. Each municipality must
13 comply with the certification requirements for airport-related
14 purposes under Section 2-22 of the Retailers' Occupation Tax
15 Act. For purposes of this Section, "airport-related purposes"
16 has the meaning ascribed in Section 6z-20.2 of the State
17 Finance Act. This exclusion for aviation fuel only applies for
18 so long as the revenue use requirements of 49 U.S.C. 47107(b)
19 and 49 U.S.C. 47133 are binding on the municipality. The tax
20 imposed by a municipality pursuant to this Section and all
21 civil penalties that may be assessed as an incident thereof
22 shall be collected and enforced by the State Department of
23 Revenue. The certificate of registration which is issued by
24 the Department to a retailer under the Retailers' Occupation
25 Tax Act or under the Service Occupation Tax Act shall permit
26 such registrant to engage in a business which is taxable under

1 any ordinance or resolution enacted pursuant to this Section
2 without registering separately with the Department under such
3 ordinance or resolution or under this Section. The Department
4 shall have full power to administer and enforce this Section;
5 to collect all taxes and penalties due hereunder; to dispose
6 of taxes and penalties so collected in the manner hereinafter
7 provided, and to determine all rights to credit memoranda
8 arising on account of the erroneous payment of tax or penalty
9 hereunder. In the administration of, and compliance with, this
10 Section the Department and persons who are subject to this
11 Section shall have the same rights, remedies, privileges,
12 immunities, powers and duties, and be subject to the same
13 conditions, restrictions, limitations, penalties and
14 definitions of terms, and employ the same modes of procedure,
15 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
16 respect to all provisions therein other than the State rate of
17 tax), 4 (except that the reference to the State shall be to the
18 taxing municipality), 5, 7, 8 (except that the jurisdiction to
19 which the tax shall be a debt to the extent indicated in that
20 Section 8 shall be the taxing municipality), 9 (except as to
21 the disposition of taxes and penalties collected, and except
22 that the returned merchandise credit for this municipal tax
23 may not be taken against any State tax, and except that the
24 retailer's discount is not allowed for taxes paid on aviation
25 fuel that are subject to the revenue use requirements of 49
26 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the

1 reference therein to Section 2b of the Retailers' Occupation
2 Tax Act), 13 (except that any reference to the State shall mean
3 the taxing municipality), the first paragraph of Section 15,
4 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
5 Section 3-7 of the Uniform Penalty and Interest Act, as fully
6 as if those provisions were set forth herein.

7 No municipality may impose a tax under this Section unless
8 the municipality also imposes a tax at the same rate under
9 Section 8-11-1.3 of this Code.

10 If, on January 1, 2025, a unit of local government has in
11 effect a tax under this Section, or if, after January 1, 2025,
12 a unit of local government imposes a tax under this Section,
13 then that tax applies to leases of tangible personal property
14 in effect, entered into, or renewed on or after that date in
15 the same manner as the tax under this Section and in accordance
16 with the changes made by this amendatory Act of the 103rd
17 General Assembly.

18 Persons subject to any tax imposed pursuant to the
19 authority granted in this Section may reimburse themselves for
20 their serviceman's tax liability hereunder by separately
21 stating such tax as an additional charge, which charge may be
22 stated in combination, in a single amount, with State tax
23 which servicemen are authorized to collect under the Service
24 Use Tax Act, pursuant to such bracket schedules as the
25 Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the order to be drawn for the
4 amount specified, and to the person named, in such
5 notification from the Department. Such refund shall be paid by
6 the State Treasurer out of the municipal retailers' occupation
7 tax fund or the Local Government Aviation Trust Fund, as
8 appropriate.

9 Except as otherwise provided in this paragraph, the
10 Department shall forthwith pay over to the State Treasurer, ex
11 officio, as trustee, all taxes and penalties collected
12 hereunder for deposit into the municipal retailers' occupation
13 tax fund. Taxes and penalties collected on aviation fuel sold
14 on or after December 1, 2019, shall be immediately paid over by
15 the Department to the State Treasurer, ex officio, as trustee,
16 for deposit into the Local Government Aviation Trust Fund. The
17 Department shall only pay moneys into the Local Government
18 Aviation Trust Fund under this Section for so long as the
19 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
20 47133 are binding on the municipality.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, to the STAR
25 Bonds Revenue Fund the local sales tax increment, as defined
26 in the Innovation Development and Economy Act, collected under

1 this Section during the second preceding calendar month for
2 sales within a STAR bond district.

3 As soon as possible after the first day of each month,
4 beginning July 1, 2026, upon certification of the Department
5 of Revenue, the Comptroller shall order transferred, and the
6 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
7 local sales tax increment, as defined in the Statewide
8 Innovation Development and Economy Act, collected under this
9 Section during the second preceding calendar month for sales
10 within a STAR bond district.

11 After the monthly transfers ~~transfer~~ to the STAR Bonds
12 Revenue Fund, on or before the 25th day of each calendar month,
13 the Department shall prepare and certify to the Comptroller
14 the disbursement of stated sums of money to named
15 municipalities, the municipalities to be those from which
16 suppliers and servicemen have paid taxes or penalties
17 hereunder to the Department during the second preceding
18 calendar month. The amount to be paid to each municipality
19 shall be the amount (not including credit memoranda and not
20 including taxes and penalties collected on aviation fuel sold
21 on or after December 1, 2019) collected hereunder during the
22 second preceding calendar month by the Department, and not
23 including an amount equal to the amount of refunds made during
24 the second preceding calendar month by the Department on
25 behalf of such municipality, and not including any amounts
26 that are transferred to the STAR Bonds Revenue Fund, less 1.5%

1 of the remainder, which the Department shall transfer into the
2 Tax Compliance and Administration Fund. The Department, at the
3 time of each monthly disbursement to the municipalities, shall
4 prepare and certify to the State Comptroller the amount to be
5 transferred into the Tax Compliance and Administration Fund
6 under this Section. Within 10 days after receipt, by the
7 Comptroller, of the disbursement certification to the
8 municipalities, the General Revenue Fund, and the Tax
9 Compliance and Administration Fund provided for in this
10 Section to be given to the Comptroller by the Department, the
11 Comptroller shall cause the orders to be drawn for the
12 respective amounts in accordance with the directions contained
13 in such certification.

14 The Department of Revenue shall implement Public Act
15 91-649 so as to collect the tax on and after January 1, 2002.

16 Nothing in this Section shall be construed to authorize a
17 municipality to impose a tax upon the privilege of engaging in
18 any business which under the constitution of the United States
19 may not be made the subject of taxation by this State.

20 As used in this Section, "municipal" or "municipality"
21 means or refers to a city, village or incorporated town,
22 including an incorporated town which has superseded a civil
23 township.

24 This Section shall be known and may be cited as the
25 "Non-Home Rule Municipal Service Occupation Tax Act".

26 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;

1 103-592, eff. 1-1-25; 103-1055, eff. 12-20-24.)

2 (65 ILCS 5/8-11-1.6)

3 Sec. 8-11-1.6. Non-home rule municipal retailers'
4 occupation tax; municipalities between 20,000 and 25,000. The
5 corporate authorities of a non-home rule municipality with a
6 population of more than 20,000 but less than 25,000 that has,
7 prior to January 1, 1987, established a Redevelopment Project
8 Area that has been certified as a State Sales Tax Boundary and
9 has issued bonds or otherwise incurred indebtedness to pay for
10 costs in excess of \$5,000,000, which is secured in part by a
11 tax increment allocation fund, in accordance with the
12 provisions of Division 11-74.4 of this Code may, by passage of
13 an ordinance, impose a tax upon all persons engaged in the
14 business of selling tangible personal property, other than on
15 an item of tangible personal property that is titled and
16 registered by an agency of this State's Government, at retail
17 in the municipality. This tax may not be imposed on tangible
18 personal property taxed at the 1% rate under the Retailers'
19 Occupation Tax Act (or at the 0% rate imposed under this
20 amendatory Act of the 102nd General Assembly). Beginning
21 December 1, 2019, this tax is not imposed on sales of aviation
22 fuel unless the tax revenue is expended for airport-related
23 purposes. If a municipality does not have an airport-related
24 purpose to which it dedicates aviation fuel tax revenue, then
25 aviation fuel is excluded from the tax. Each municipality must

1 comply with the certification requirements for airport-related
2 purposes under Section 2-22 of the Retailers' Occupation Tax
3 Act. For purposes of this Section, "airport-related purposes"
4 has the meaning ascribed in Section 6z-20.2 of the State
5 Finance Act. This exclusion for aviation fuel only applies for
6 so long as the revenue use requirements of 49 U.S.C. 47107(b)
7 and 49 U.S.C. 47133 are binding on the municipality. If
8 imposed, the tax shall only be imposed in .25% increments of
9 the gross receipts from such sales made in the course of
10 business. Any tax imposed by a municipality under this Section
11 and all civil penalties that may be assessed as an incident
12 thereof shall be collected and enforced by the State
13 Department of Revenue. An ordinance imposing a tax hereunder
14 or effecting a change in the rate thereof shall be adopted and
15 a certified copy thereof filed with the Department on or
16 before the first day of October, whereupon the Department
17 shall proceed to administer and enforce this Section as of the
18 first day of January next following such adoption and filing.
19 The certificate of registration that is issued by the
20 Department to a retailer under the Retailers' Occupation Tax
21 Act shall permit the retailer to engage in a business that is
22 taxable under any ordinance or resolution enacted under this
23 Section without registering separately with the Department
24 under the ordinance or resolution or under this Section. The
25 Department shall have full power to administer and enforce
26 this Section, to collect all taxes and penalties due

1 hereunder, to dispose of taxes and penalties so collected in
2 the manner hereinafter provided, and to determine all rights
3 to credit memoranda, arising on account of the erroneous
4 payment of tax or penalty hereunder. In the administration of,
5 and compliance with this Section, the Department and persons
6 who are subject to this Section shall have the same rights,
7 remedies, privileges, immunities, powers, and duties, and be
8 subject to the same conditions, restrictions, limitations,
9 penalties, and definitions of terms, and employ the same modes
10 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
11 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
12 therein other than the State rate of tax), 2c, 3 (except as to
13 the disposition of taxes and penalties collected, and except
14 that the retailer's discount is not allowed for taxes paid on
15 aviation fuel that are subject to the revenue use requirements
16 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
17 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
18 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
19 Section 3-7 of the Uniform Penalty and Interest Act as fully as
20 if those provisions were set forth herein.

21 A tax may not be imposed by a municipality under this
22 Section unless the municipality also imposes a tax at the same
23 rate under Section 8-11-1.7 of this Act.

24 If, on January 1, 2025, a unit of local government has in
25 effect a tax under this Section, or if, after January 1, 2025,
26 a unit of local government imposes a tax under this Section,

1 then that tax applies to leases of tangible personal property
2 in effect, entered into, or renewed on or after that date in
3 the same manner as the tax under this Section and in accordance
4 with the changes made by this amendatory Act of the 103rd
5 General Assembly.

6 Persons subject to any tax imposed under the authority
7 granted in this Section may reimburse themselves for their
8 seller's tax liability hereunder by separately stating the tax
9 as an additional charge, which charge may be stated in
10 combination, in a single amount, with State tax which sellers
11 are required to collect under the Use Tax Act, pursuant to such
12 bracket schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant, instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified, and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Non-Home Rule Municipal Retailers'
20 Occupation Tax Fund, which is hereby created or the Local
21 Government Aviation Trust Fund, as appropriate.

22 Except as otherwise provided in this paragraph, the
23 Department shall forthwith pay over to the State Treasurer, ex
24 officio, as trustee, all taxes and penalties collected
25 hereunder for deposit into the Non-Home Rule Municipal
26 Retailers' Occupation Tax Fund. Taxes and penalties collected

1 on aviation fuel sold on or after December 1, 2019, shall be
2 immediately paid over by the Department to the State
3 Treasurer, ex officio, as trustee, for deposit into the Local
4 Government Aviation Trust Fund. The Department shall only pay
5 moneys into the Local Government Aviation Trust Fund under
6 this Section for so long as the revenue use requirements of 49
7 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
8 municipality.

9 As soon as possible after the first day of each month,
10 beginning January 1, 2011, upon certification of the
11 Department of Revenue, the Comptroller shall order
12 transferred, and the Treasurer shall transfer, to the STAR
13 Bonds Revenue Fund the local sales tax increment, as defined
14 in the Innovation Development and Economy Act, collected under
15 this Section during the second preceding calendar month for
16 sales within a STAR bond district.

17 As soon as possible after the first day of each month,
18 beginning July 1, 2026, upon certification of the Department
19 of Revenue, the Comptroller shall order transferred, and the
20 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
21 local sales tax increment, as defined in the Statewide
22 Innovation Development and Economy Act, collected under this
23 Section during the second preceding calendar month for sales
24 within a STAR bond district.

25 After the monthly transfers ~~transfer~~ to the STAR Bonds
26 Revenue Fund, on or before the 25th day of each calendar month,

1 the Department shall prepare and certify to the Comptroller
2 the disbursement of stated sums of money to named
3 municipalities, the municipalities to be those from which
4 retailers have paid taxes or penalties hereunder to the
5 Department during the second preceding calendar month. The
6 amount to be paid to each municipality shall be the amount (not
7 including credit memoranda and not including taxes and
8 penalties collected on aviation fuel sold on or after December
9 1, 2019) collected hereunder during the second preceding
10 calendar month by the Department plus an amount the Department
11 determines is necessary to offset any amounts that were
12 erroneously paid to a different taxing body, and not including
13 an amount equal to the amount of refunds made during the second
14 preceding calendar month by the Department on behalf of the
15 municipality, and not including any amount that the Department
16 determines is necessary to offset any amounts that were
17 payable to a different taxing body but were erroneously paid
18 to the municipality, and not including any amounts that are
19 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
20 remainder, which the Department shall transfer into the Tax
21 Compliance and Administration Fund. The Department, at the
22 time of each monthly disbursement to the municipalities, shall
23 prepare and certify to the State Comptroller the amount to be
24 transferred into the Tax Compliance and Administration Fund
25 under this Section. Within 10 days after receipt by the
26 Comptroller of the disbursement certification to the

1 municipalities and the Tax Compliance and Administration Fund
2 provided for in this Section to be given to the Comptroller by
3 the Department, the Comptroller shall cause the orders to be
4 drawn for the respective amounts in accordance with the
5 directions contained in the certification.

6 For the purpose of determining the local governmental unit
7 whose tax is applicable, a retail sale by a producer of coal or
8 other mineral mined in Illinois is a sale at retail at the
9 place where the coal or other mineral mined in Illinois is
10 extracted from the earth. This paragraph does not apply to
11 coal or other mineral when it is delivered or shipped by the
12 seller to the purchaser at a point outside Illinois so that the
13 sale is exempt under the federal Constitution as a sale in
14 interstate or foreign commerce.

15 Nothing in this Section shall be construed to authorize a
16 municipality to impose a tax upon the privilege of engaging in
17 any business which under the constitution of the United States
18 may not be made the subject of taxation by this State.

19 When certifying the amount of a monthly disbursement to a
20 municipality under this Section, the Department shall increase
21 or decrease the amount by an amount necessary to offset any
22 misallocation of previous disbursements. The offset amount
23 shall be the amount erroneously disbursed within the previous
24 6 months from the time a misallocation is discovered.

25 As used in this Section, "municipal" and "municipality"
26 means a city, village, or incorporated town, including an

1 incorporated town that has superseded a civil township.

2 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

3 (65 ILCS 5/8-11-1.7)

4 Sec. 8-11-1.7. Non-home rule municipal service occupation
5 tax; municipalities between 20,000 and 25,000. The corporate
6 authorities of a non-home rule municipality with a population
7 of more than 20,000 but less than 25,000 as determined by the
8 last preceding decennial census that has, prior to January 1,
9 1987, established a Redevelopment Project Area that has been
10 certified as a State Sales Tax Boundary and has issued bonds or
11 otherwise incurred indebtedness to pay for costs in excess of
12 \$5,000,000, which is secured in part by a tax increment
13 allocation fund, in accordance with the provisions of Division
14 11-74.4 of this Code may, by passage of an ordinance, impose a
15 tax upon all persons engaged in the municipality in the
16 business of making sales of service. If imposed, the tax shall
17 only be imposed in .25% increments of the selling price of all
18 tangible personal property transferred by such servicemen
19 either in the form of tangible personal property or in the form
20 of real estate as an incident to a sale of service. This tax
21 may not be imposed on tangible personal property taxed at the
22 1% rate under the Service Occupation Tax Act (or at the 0% rate
23 imposed under this amendatory Act of the 102nd General
24 Assembly). Beginning December 1, 2019, this tax is not imposed
25 on sales of aviation fuel unless the tax revenue is expended

1 for airport-related purposes. If a municipality does not have
2 an airport-related purpose to which it dedicates aviation fuel
3 tax revenue, then aviation fuel is excluded from the tax. Each
4 municipality must comply with the certification requirements
5 for airport-related purposes under Section 2-22 of the
6 Retailers' Occupation Tax Act. For purposes of this Section,
7 "airport-related purposes" has the meaning ascribed in Section
8 6z-20.2 of the State Finance Act. This exclusion for aviation
9 fuel only applies for so long as the revenue use requirements
10 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
11 municipality. The tax imposed by a municipality under this
12 Section and all civil penalties that may be assessed as an
13 incident thereof shall be collected and enforced by the State
14 Department of Revenue. An ordinance imposing a tax hereunder
15 or effecting a change in the rate thereof shall be adopted and
16 a certified copy thereof filed with the Department on or
17 before the first day of October, whereupon the Department
18 shall proceed to administer and enforce this Section as of the
19 first day of January next following such adoption and filing.
20 The certificate of registration that is issued by the
21 Department to a retailer under the Retailers' Occupation Tax
22 Act or under the Service Occupation Tax Act shall permit the
23 registrant to engage in a business that is taxable under any
24 ordinance or resolution enacted under this Section without
25 registering separately with the Department under the ordinance
26 or resolution or under this Section. The Department shall have

1 full power to administer and enforce this Section, to collect
2 all taxes and penalties due hereunder, to dispose of taxes and
3 penalties so collected in a manner hereinafter provided, and
4 to determine all rights to credit memoranda arising on account
5 of the erroneous payment of tax or penalty hereunder. In the
6 administration of and compliance with this Section, the
7 Department and persons who are subject to this Section shall
8 have the same rights, remedies, privileges, immunities,
9 powers, and duties, and be subject to the same conditions,
10 restrictions, limitations, penalties and definitions of terms,
11 and employ the same modes of procedure, as are prescribed in
12 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
13 provisions therein other than the State rate of tax), 4
14 (except that the reference to the State shall be to the taxing
15 municipality), 5, 7, 8 (except that the jurisdiction to which
16 the tax shall be a debt to the extent indicated in that Section
17 8 shall be the taxing municipality), 9 (except as to the
18 disposition of taxes and penalties collected, and except that
19 the returned merchandise credit for this municipal tax may not
20 be taken against any State tax, and except that the retailer's
21 discount is not allowed for taxes paid on aviation fuel that
22 are subject to the revenue use requirements of 49 U.S.C.
23 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
24 reference therein to Section 2b of the Retailers' Occupation
25 Tax Act), 13 (except that any reference to the State shall mean
26 the taxing municipality), the first paragraph of Sections 15,

1 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
2 Section 3-7 of the Uniform Penalty and Interest Act, as fully
3 as if those provisions were set forth herein.

4 A tax may not be imposed by a municipality under this
5 Section unless the municipality also imposes a tax at the same
6 rate under Section 8-11-1.6 of this Act.

7 If, on January 1, 2025, a unit of local government has in
8 effect a tax under this Section, or if, after January 1, 2025,
9 a unit of local government imposes a tax under this Section,
10 then that tax applies to leases of tangible personal property
11 in effect, entered into, or renewed on or after that date in
12 the same manner as the tax under this Section and in accordance
13 with the changes made by this amendatory Act of the 103rd
14 General Assembly.

15 Person subject to any tax imposed under the authority
16 granted in this Section may reimburse themselves for their
17 servicemen's tax liability hereunder by separately stating the
18 tax as an additional charge, which charge may be stated in
19 combination, in a single amount, with State tax that
20 servicemen are authorized to collect under the Service Use Tax
21 Act, under such bracket schedules as the Department may
22 prescribe.

23 Whenever the Department determines that a refund should be
24 made under this Section to a claimant instead of issuing
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified, and to the person named, in such
2 notification from the Department. The refund shall be paid by
3 the State Treasurer out of the Non-Home Rule Municipal
4 Retailers' Occupation Tax Fund or the Local Government
5 Aviation Trust Fund, as appropriate.

6 Except as otherwise provided in this paragraph, the
7 Department shall forthwith pay over to the State Treasurer, ex
8 officio, as trustee, all taxes and penalties collected
9 hereunder for deposit into the Non-Home Rule Municipal
10 Retailers' Occupation Tax Fund. Taxes and penalties collected
11 on aviation fuel sold on or after December 1, 2019, shall be
12 immediately paid over by the Department to the State
13 Treasurer, ex officio, as trustee, for deposit into the Local
14 Government Aviation Trust Fund. The Department shall only pay
15 moneys into the Local Government Aviation Trust Fund under
16 this Section for so long as the revenue use requirements of 49
17 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
18 Municipality.

19 As soon as possible after the first day of each month,
20 beginning January 1, 2011, upon certification of the
21 Department of Revenue, the Comptroller shall order
22 transferred, and the Treasurer shall transfer, to the STAR
23 Bonds Revenue Fund the local sales tax increment, as defined
24 in the Innovation Development and Economy Act, collected under
25 this Section during the second preceding calendar month for
26 sales within a STAR bond district.

1 As soon as possible after the first day of each month,
2 beginning July 1, 2026, upon certification of the Department
3 of Revenue, the Comptroller shall order transferred, and the
4 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
5 local sales tax increment, as defined in the Statewide
6 Innovation Development and Economy Act, collected under this
7 Section during the second preceding calendar month for sales
8 within a STAR bond district.

9 After the monthly transfers ~~transfer~~ to the STAR Bonds
10 Revenue Fund, on or before the 25th day of each calendar month,
11 the Department shall prepare and certify to the Comptroller
12 the disbursement of stated sums of money to named
13 municipalities, the municipalities to be those from which
14 suppliers and servicemen have paid taxes or penalties
15 hereunder to the Department during the second preceding
16 calendar month. The amount to be paid to each municipality
17 shall be the amount (not including credit memoranda and not
18 including taxes and penalties collected on aviation fuel sold
19 on or after December 1, 2019) collected hereunder during the
20 second preceding calendar month by the Department, and not
21 including an amount equal to the amount of refunds made during
22 the second preceding calendar month by the Department on
23 behalf of such municipality, and not including any amounts
24 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
25 of the remainder, which the Department shall transfer into the
26 Tax Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the municipalities, shall
2 prepare and certify to the State Comptroller the amount to be
3 transferred into the Tax Compliance and Administration Fund
4 under this Section. Within 10 days after receipt by the
5 Comptroller of the disbursement certification to the
6 municipalities, the Tax Compliance and Administration Fund,
7 and the General Revenue Fund, provided for in this Section to
8 be given to the Comptroller by the Department, the Comptroller
9 shall cause the orders to be drawn for the respective amounts
10 in accordance with the directions contained in the
11 certification.

12 When certifying the amount of a monthly disbursement to a
13 municipality under this Section, the Department shall increase
14 or decrease the amount by an amount necessary to offset any
15 misallocation of previous disbursements. The offset amount
16 shall be the amount erroneously disbursed within the previous
17 6 months from the time a misallocation is discovered.

18 Nothing in this Section shall be construed to authorize a
19 municipality to impose a tax upon the privilege of engaging in
20 any business which under the constitution of the United States
21 may not be made the subject of taxation by this State.

22 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

23 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

24 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
25 Act. The corporate authorities of a home rule municipality may

1 impose a tax upon all persons engaged, in such municipality,
2 in the business of making sales of service at the same rate of
3 tax imposed pursuant to Section 8-11-1, of the selling price
4 of all tangible personal property transferred by such
5 servicemen either in the form of tangible personal property or
6 in the form of real estate as an incident to a sale of service.
7 If imposed, such tax shall only be imposed in 1/4% increments.
8 On and after September 1, 1991, this additional tax may not be
9 imposed on tangible personal property taxed at the 1% rate
10 under the Service Occupation Tax Act (or at the 0% rate imposed
11 under this amendatory Act of the 102nd General Assembly).
12 Beginning December 1, 2019, this tax may not be imposed on
13 sales of aviation fuel unless the tax revenue is expended for
14 airport-related purposes. If a municipality does not have an
15 airport-related purpose to which it dedicates aviation fuel
16 tax revenue, then aviation fuel shall be excluded from tax.
17 Each municipality must comply with the certification
18 requirements for airport-related purposes under Section 2-22
19 of the Retailers' Occupation Tax Act. For purposes of this
20 Section, "airport-related purposes" has the meaning ascribed
21 in Section 6z-20.2 of the State Finance Act. This exception
22 for aviation fuel only applies for so long as the revenue use
23 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
24 binding on the State. The changes made to this Section by this
25 amendatory Act of the 101st General Assembly are a denial and
26 limitation of home rule powers and functions under subsection

1 (g) of Section 6 of Article VII of the Illinois Constitution.
2 The tax imposed by a home rule municipality pursuant to this
3 Section and all civil penalties that may be assessed as an
4 incident thereof shall be collected and enforced by the State
5 Department of Revenue. The certificate of registration which
6 is issued by the Department to a retailer under the Retailers'
7 Occupation Tax Act or under the Service Occupation Tax Act
8 shall permit such registrant to engage in a business which is
9 taxable under any ordinance or resolution enacted pursuant to
10 this Section without registering separately with the
11 Department under such ordinance or resolution or under this
12 Section. The Department shall have full power to administer
13 and enforce this Section; to collect all taxes and penalties
14 due hereunder; to dispose of taxes and penalties so collected
15 in the manner hereinafter provided, and to determine all
16 rights to credit memoranda arising on account of the erroneous
17 payment of tax or penalty hereunder. In the administration of,
18 and compliance with, this Section the Department and persons
19 who are subject to this Section shall have the same rights,
20 remedies, privileges, immunities, powers and duties, and be
21 subject to the same conditions, restrictions, limitations,
22 penalties and definitions of terms, and employ the same modes
23 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
24 through 3-50 (in respect to all provisions therein other than
25 the State rate of tax), 4 (except that the reference to the
26 State shall be to the taxing municipality), 5, 7, 8 (except

1 that the jurisdiction to which the tax shall be a debt to the
2 extent indicated in that Section 8 shall be the taxing
3 municipality), 9 (except as to the disposition of taxes and
4 penalties collected, and except that the returned merchandise
5 credit for this municipal tax may not be taken against any
6 State tax, and except that the retailer's discount is not
7 allowed for taxes paid on aviation fuel that are subject to the
8 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
9 47133), 10, 11, 12 (except the reference therein to Section 2b
10 of the Retailers' Occupation Tax Act), 13 (except that any
11 reference to the State shall mean the taxing municipality),
12 the first paragraph of Section 15, 16, 17 (except that credit
13 memoranda issued hereunder may not be used to discharge any
14 State tax liability), 18, 19 and 20 of the Service Occupation
15 Tax Act and Section 3-7 of the Uniform Penalty and Interest
16 Act, as fully as if those provisions were set forth herein.

17 No tax may be imposed by a home rule municipality pursuant
18 to this Section unless such municipality also imposes a tax at
19 the same rate pursuant to Section 8-11-1 of this Act.

20 Persons subject to any tax imposed pursuant to the
21 authority granted in this Section may reimburse themselves for
22 their serviceman's tax liability hereunder by separately
23 stating such tax as an additional charge, which charge may be
24 stated in combination, in a single amount, with State tax
25 which servicemen are authorized to collect under the Service
26 Use Tax Act, pursuant to such bracket schedules as the

1 Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this Section to a claimant instead of issuing
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the order to be drawn for the
6 amount specified, and to the person named, in such
7 notification from the Department. Such refund shall be paid by
8 the State Treasurer out of the home rule municipal retailers'
9 occupation tax fund or the Local Government Aviation Trust
10 Fund, as appropriate.

11 Except as otherwise provided in this paragraph, the
12 Department shall forthwith pay over to the State Treasurer, ex
13 officio, as trustee, all taxes and penalties collected
14 hereunder for deposit into the Home Rule Municipal Retailers'
15 Occupation Tax Fund. Taxes and penalties collected on aviation
16 fuel sold on or after December 1, 2019, shall be immediately
17 paid over by the Department to the State Treasurer, ex
18 officio, as trustee, for deposit into the Local Government
19 Aviation Trust Fund. The Department shall only pay moneys into
20 the Local Government Aviation Trust Fund under this Section
21 for so long as the revenue use requirements of 49 U.S.C.
22 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this Section during the second preceding calendar month for
4 sales within a STAR bond district.

5 As soon as possible after the first day of each month,
6 beginning July 1, 2026, upon certification of the Department
7 of Revenue, the Comptroller shall order transferred, and the
8 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
9 local sales tax increment, as defined in the Statewide
10 Innovation Development and Economy Act, collected under this
11 Section during the second preceding calendar month for sales
12 within a STAR bond district.

13 After the monthly transfers ~~transfer~~ to the STAR Bonds
14 Revenue Fund, on or before the 25th day of each calendar month,
15 the Department shall prepare and certify to the Comptroller
16 the disbursement of stated sums of money to named
17 municipalities, the municipalities to be those from which
18 suppliers and servicemen have paid taxes or penalties
19 hereunder to the Department during the second preceding
20 calendar month. The amount to be paid to each municipality
21 shall be the amount (not including credit memoranda and not
22 including taxes and penalties collected on aviation fuel sold
23 on or after December 1, 2019) collected hereunder during the
24 second preceding calendar month by the Department, and not
25 including an amount equal to the amount of refunds made during
26 the second preceding calendar month by the Department on

1 behalf of such municipality, and not including any amounts
2 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
3 of the remainder, which the Department shall transfer into the
4 Tax Compliance and Administration Fund. The Department, at the
5 time of each monthly disbursement to the municipalities, shall
6 prepare and certify to the State Comptroller the amount to be
7 transferred into the Tax Compliance and Administration Fund
8 under this Section. Within 10 days after receipt, by the
9 Comptroller, of the disbursement certification to the
10 municipalities and the Tax Compliance and Administration Fund
11 provided for in this Section to be given to the Comptroller by
12 the Department, the Comptroller shall cause the orders to be
13 drawn for the respective amounts in accordance with the
14 directions contained in such certification.

15 In addition to the disbursement required by the preceding
16 paragraph and in order to mitigate delays caused by
17 distribution procedures, an allocation shall, if requested, be
18 made within 10 days after January 14, 1991, and in November of
19 1991 and each year thereafter, to each municipality that
20 received more than \$500,000 during the preceding fiscal year,
21 (July 1 through June 30) whether collected by the municipality
22 or disbursed by the Department as required by this Section.
23 Within 10 days after January 14, 1991, participating
24 municipalities shall notify the Department in writing of their
25 intent to participate. In addition, for the initial
26 distribution, participating municipalities shall certify to

1 the Department the amounts collected by the municipality for
2 each month under its home rule occupation and service
3 occupation tax during the period July 1, 1989 through June 30,
4 1990. The allocation within 10 days after January 14, 1991,
5 shall be in an amount equal to the monthly average of these
6 amounts, excluding the 2 months of highest receipts. Monthly
7 average for the period of July 1, 1990 through June 30, 1991
8 will be determined as follows: the amounts collected by the
9 municipality under its home rule occupation and service
10 occupation tax during the period of July 1, 1990 through
11 September 30, 1990, plus amounts collected by the Department
12 and paid to such municipality through June 30, 1991, excluding
13 the 2 months of highest receipts. The monthly average for each
14 subsequent period of July 1 through June 30 shall be an amount
15 equal to the monthly distribution made to each such
16 municipality under the preceding paragraph during this period,
17 excluding the 2 months of highest receipts. The distribution
18 made in November 1991 and each year thereafter under this
19 paragraph and the preceding paragraph shall be reduced by the
20 amount allocated and disbursed under this paragraph in the
21 preceding period of July 1 through June 30. The Department
22 shall prepare and certify to the Comptroller for disbursement
23 the allocations made in accordance with this paragraph.

24 Nothing in this Section shall be construed to authorize a
25 municipality to impose a tax upon the privilege of engaging in
26 any business which under the constitution of the United States

1 may not be made the subject of taxation by this State.

2 An ordinance or resolution imposing or discontinuing a tax
3 hereunder or effecting a change in the rate thereof shall be
4 adopted and a certified copy thereof filed with the Department
5 on or before the first day of June, whereupon the Department
6 shall proceed to administer and enforce this Section as of the
7 first day of September next following such adoption and
8 filing. Beginning January 1, 1992, an ordinance or resolution
9 imposing or discontinuing the tax hereunder or effecting a
10 change in the rate thereof shall be adopted and a certified
11 copy thereof filed with the Department on or before the first
12 day of July, whereupon the Department shall proceed to
13 administer and enforce this Section as of the first day of
14 October next following such adoption and filing. Beginning
15 January 1, 1993, an ordinance or resolution imposing or
16 discontinuing the tax hereunder or effecting a change in the
17 rate thereof shall be adopted and a certified copy thereof
18 filed with the Department on or before the first day of
19 October, whereupon the Department shall proceed to administer
20 and enforce this Section as of the first day of January next
21 following such adoption and filing. However, a municipality
22 located in a county with a population in excess of 3,000,000
23 that elected to become a home rule unit at the general primary
24 election in 1994 may adopt an ordinance or resolution imposing
25 the tax under this Section and file a certified copy of the
26 ordinance or resolution with the Department on or before July

1 1, 1994. The Department shall then proceed to administer and
2 enforce this Section as of October 1, 1994. Beginning April 1,
3 1998, an ordinance or resolution imposing or discontinuing the
4 tax hereunder or effecting a change in the rate thereof shall
5 either (i) be adopted and a certified copy thereof filed with
6 the Department on or before the first day of April, whereupon
7 the Department shall proceed to administer and enforce this
8 Section as of the first day of July next following the adoption
9 and filing; or (ii) be adopted and a certified copy thereof
10 filed with the Department on or before the first day of
11 October, whereupon the Department shall proceed to administer
12 and enforce this Section as of the first day of January next
13 following the adoption and filing.

14 Any unobligated balance remaining in the Municipal
15 Retailers' Occupation Tax Fund on December 31, 1989, which
16 fund was abolished by Public Act 85-1135, and all receipts of
17 municipal tax as a result of audits of liability periods prior
18 to January 1, 1990, shall be paid into the Local Government Tax
19 Fund, for distribution as provided by this Section prior to
20 the enactment of Public Act 85-1135. All receipts of municipal
21 tax as a result of an assessment not arising from an audit, for
22 liability periods prior to January 1, 1990, shall be paid into
23 the Local Government Tax Fund for distribution before July 1,
24 1990, as provided by this Section prior to the enactment of
25 Public Act 85-1135, and on and after July 1, 1990, all such
26 receipts shall be distributed as provided in Section 6z-18 of

1 the State Finance Act.

2 As used in this Section, "municipal" and "municipality"
3 means a city, village or incorporated town, including an
4 incorporated town which has superseded a civil township.

5 This Section shall be known and may be cited as the Home
6 Rule Municipal Service Occupation Tax Act.

7 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
8 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

9 (65 ILCS 5/8-11-23)

10 Sec. 8-11-23. Municipal Cannabis Retailers' Occupation Tax
11 Law.

12 (a) This Section may be referred to as the Municipal
13 Cannabis Retailers' Occupation Tax Law. The corporate
14 authorities of any municipality may, by ordinance, impose a
15 tax upon all persons engaged in the business of selling
16 cannabis, other than cannabis purchased under the
17 Compassionate Use of Medical Cannabis Program Act, at retail
18 in the municipality on the gross receipts from these sales
19 made in the course of that business. If imposed, the tax may
20 not exceed 3% of the gross receipts from these sales and shall
21 only be imposed in 1/4% increments. The tax imposed under this
22 Section and all civil penalties that may be assessed as an
23 incident of the tax shall be collected and enforced by the
24 Department of Revenue. The Department of Revenue shall have
25 full power to administer and enforce this Section; to collect

1 all taxes and penalties due hereunder; to dispose of taxes and
2 penalties so collected in the manner hereinafter provided; and
3 to determine all rights to credit memoranda arising on account
4 of the erroneous payment of tax or penalty under this Section.
5 In the administration of and compliance with this Section, the
6 Department and persons who are subject to this Section shall
7 have the same rights, remedies, privileges, immunities, powers
8 and duties, and be subject to the same conditions,
9 restrictions, limitations, penalties and definitions of terms,
10 and employ the same modes of procedure, as are prescribed in
11 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
12 (in respect to all provisions therein other than the State
13 rate of tax), 2a, 2b, 2c, 2i, 3 (except as to the disposition
14 of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e,
15 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
16 11a, 12, and 13 of the Retailers' Occupation Tax Act and
17 Section 3-7 of the Uniform Penalty and Interest Act, as fully
18 as if those provisions were set forth herein.

19 (b) Persons subject to any tax imposed under the authority
20 granted in this Section may reimburse themselves for their
21 seller's tax liability hereunder by separately stating that
22 tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with any State tax that
24 sellers are required to collect.

25 (c) Whenever the Department of Revenue determines that a
26 refund should be made under this Section to a claimant instead

1 of issuing a credit memorandum, the Department of Revenue
2 shall notify the State Comptroller, who shall cause the order
3 to be drawn for the amount specified and to the person named in
4 the notification from the Department of Revenue.

5 (d) Except as otherwise provided in this Section, the ~~The~~
6 Department of Revenue shall immediately pay over to the State
7 Treasurer, ex officio, as trustee, all taxes and penalties
8 collected hereunder for deposit into the Local Cannabis
9 Retailers' Occupation Tax Trust Fund.

10 As soon as possible after the first day of each month,
11 beginning July 1, 2026, upon certification of the Department
12 of Revenue, the Comptroller shall order transferred, and the
13 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
14 local sales tax increment, as defined in the Statewide
15 Innovation Development and Economy Act, collected under this
16 Section during the second preceding calendar month for sales
17 within a STAR bond district.

18 (e) After the monthly transfer to the STAR Bonds Revenue
19 Fund, on ~~on~~ or before the 25th day of each calendar month, the
20 Department of Revenue shall prepare and certify to the
21 Comptroller the amount of money to be disbursed from the Local
22 Cannabis Retailers' Occupation Tax Trust Fund to
23 municipalities from which retailers have paid taxes or
24 penalties under this Section during the second preceding
25 calendar month. The amount to be paid to each municipality
26 shall be the amount (not including credit memoranda) collected

1 under this Section from sales made in the municipality during
2 the second preceding calendar month, plus an amount the
3 Department of Revenue determines is necessary to offset any
4 amounts that were erroneously paid to a different taxing body,
5 and not including an amount equal to the amount of refunds made
6 during the second preceding calendar month by the Department
7 on behalf of such municipality, and not including any amount
8 that the Department determines is necessary to offset any
9 amounts that were payable to a different taxing body but were
10 erroneously paid to the municipality, and not including any
11 amounts that are transferred to the STAR Bonds Revenue Fund,
12 less 1.5% of the remainder, which the Department shall
13 transfer into the Tax Compliance and Administration Fund. The
14 Department, at the time of each monthly disbursement to the
15 municipalities, shall prepare and certify to the State
16 Comptroller the amount to be transferred into the Tax
17 Compliance and Administration Fund under this Section. Within
18 10 days after receipt by the Comptroller of the disbursement
19 certification to the municipalities and the Tax Compliance and
20 Administration Fund provided for in this Section to be given
21 to the Comptroller by the Department, the Comptroller shall
22 cause the orders to be drawn for the respective amounts in
23 accordance with the directions contained in the certification.

24 (f) An ordinance or resolution imposing or discontinuing a
25 tax under this Section or effecting a change in the rate
26 thereof that is adopted on or after June 25, 2019 (the

1 effective date of Public Act 101-27) and for which a certified
2 copy is filed with the Department on or before April 1, 2020
3 shall be administered and enforced by the Department beginning
4 on July 1, 2020. For ordinances filed with the Department
5 after April 1, 2020, an ordinance or resolution imposing or
6 discontinuing a tax under this Section or effecting a change
7 in the rate thereof shall either (i) be adopted and a certified
8 copy thereof filed with the Department on or before the first
9 day of April, whereupon the Department shall proceed to
10 administer and enforce this Section as of the first day of July
11 next following the adoption and filing; or (ii) be adopted and
12 a certified copy thereof filed with the Department on or
13 before the first day of October, whereupon the Department
14 shall proceed to administer and enforce this Section as of the
15 first day of January next following the adoption and filing.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

17 (65 ILCS 5/8-11-24)

18 Sec. 8-11-24. Municipal Grocery Occupation Tax Law.

19 (a) The corporate authorities of any municipality may, by
20 ordinance or resolution that takes effect on or after January
21 1, 2026, impose a tax upon all persons engaged in the business
22 of selling groceries at retail in the municipality on the
23 gross receipts from those sales made in the course of that
24 business. If imposed, the tax shall be at the rate of 1% of the
25 gross receipts from these sales.

1 The tax imposed by a municipality under this subsection
2 and all civil penalties that may be assessed as an incident of
3 the tax shall be collected and enforced by the Department. The
4 certificate of registration that is issued by the Department
5 to a retailer under the Retailers' Occupation Tax Act shall
6 permit the retailer to engage in a business that is taxable
7 under any ordinance or resolution enacted under this
8 subsection without registering separately with the Department
9 under that ordinance or resolution or under this subsection.

10 The Department shall have full power to administer and
11 enforce this subsection; to collect all taxes and penalties
12 due under this subsection; to dispose of taxes and penalties
13 so collected in the manner provided in this Section and under
14 rules adopted by the Department; and to determine all rights
15 to credit memoranda arising on account of the erroneous
16 payment of tax or penalty under this subsection.

17 In the administration of, and compliance with, this
18 subsection, the Department and persons who are subject to this
19 subsection shall have the same rights, remedies, privileges,
20 immunities, powers, and duties, and be subject to the same
21 conditions, restrictions, limitations, penalties and
22 definitions of terms, and employ the same modes of procedure,
23 as are prescribed in Sections 1, 2 through 2-65 (in respect to
24 all provisions therein other than the State rate of tax and
25 other than the exemption for food for human consumption that
26 is to be consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult
2 use cannabis, soft drinks, candy, and food that has been
3 prepared for immediate consumption), which is authorized to be
4 taxed as provided in this subsection), 2c, 3 (except as to the
5 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
6 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
7 11a, 12 and 13 of the Retailers' Occupation Tax Act and all of
8 the Uniform Penalty and Interest Act, as fully as if those
9 provisions were set forth in this Section.

10 Persons subject to any tax imposed under the authority
11 granted in this subsection may reimburse themselves for their
12 seller's tax liability hereunder by separately stating that
13 tax as an additional charge, which charge may be stated in
14 combination, in a single amount, with State tax which sellers
15 are required to collect under the Use Tax Act, pursuant to such
16 bracket schedules as the Department may prescribe.

17 (b) If a tax has been imposed under subsection (a), then a
18 service occupation tax must also be imposed at the same rate
19 upon all persons engaged, in the municipality, in the business
20 of making sales of service, who, as an incident to making those
21 sales of service, transfer groceries, as defined in this
22 Section, as an incident to a sale of service.

23 The tax imposed under this subsection and all civil
24 penalties that may be assessed as an incident thereof shall be
25 collected and enforced by the Department. The certificate of
26 registration that is issued by the Department to a retailer

1 under the Retailers' Occupation Tax Act or the Service
2 Occupation Tax Act shall permit the registrant to engage in a
3 business that is taxable under any ordinance or resolution
4 enacted pursuant to this subsection without registering
5 separately with the Department under the ordinance or
6 resolution or under this subsection.

7 The Department shall have full power to administer and
8 enforce this subsection, to collect all taxes and penalties
9 due under this subsection, to dispose of taxes and penalties
10 so collected in the manner provided in this Section and under
11 rules adopted by the Department, and to determine all rights
12 to credit memoranda arising on account of the erroneous
13 payment of a tax or penalty under this subsection.

14 In the administration of and compliance with this
15 subsection, the Department and persons who are subject to this
16 subsection shall have the same rights, remedies, privileges,
17 immunities, powers and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties and
19 definitions of terms, and employ the same modes of procedure
20 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
21 to all provisions contained in those Sections other than (i)
22 the State rate of tax; (ii) the exemption for food for human
23 consumption that is to be consumed off the premises where it is
24 sold (other than alcoholic beverages, food consisting of or
25 infused with adult use cannabis, soft drinks, candy, and food
26 that has been prepared for immediate consumption), which is

1 authorized to be taxed as provided in this subsection; and
2 (iii) the exemption for food prepared for immediate
3 consumption and transferred incident to a sale of service
4 subject to the Service Occupation Tax Act or the Service Use
5 Tax Act by an entity licensed under the Hospital Licensing
6 Act, the Nursing Home Care Act, the Assisted Living and Shared
7 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
8 Specialized Mental Health Rehabilitation Act of 2013, or the
9 Child Care Act of 1969, or an entity that holds a permit issued
10 pursuant to the Life Care Facilities Act, which is authorized
11 to be taxed as provided in this subsection), 4, 5, 7, 8, 9
12 (except as to the disposition of taxes and penalties
13 collected), 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20 of the
14 Service Occupation Tax Act and all provisions of the Uniform
15 Penalty and Interest Act, as fully as if those provisions were
16 set forth in this Section.

17 Persons subject to any tax imposed under the authority
18 granted in this subsection may reimburse themselves for their
19 serviceman's tax liability by separately stating the tax as an
20 additional charge, which may be stated in combination, in a
21 single amount, with State tax that servicemen are authorized
22 to collect under the Service Use Tax Act, pursuant to any
23 bracketed schedules set forth by the Department.

24 (c) The Department shall immediately pay over to the State
25 Treasurer, ex officio, as trustee, all taxes and penalties
26 collected under this Section. Those taxes and penalties shall

1 be deposited into the Municipal Grocery Tax Trust Fund, a
2 trust fund created in the State treasury. Except as otherwise
3 provided in this Section, moneys in the Municipal Grocery Tax
4 Trust Fund shall be used to make payments to municipalities
5 and for the payment of refunds under this Section.

6 Moneys deposited into the Municipal Grocery Tax Trust Fund
7 under this Section are not subject to appropriation and shall
8 be used as provided in this Section. All deposits into the
9 Municipal Grocery Tax Trust Fund shall be held in the
10 Municipal Grocery Tax Trust Fund by the State Treasurer, ex
11 officio, as trustee separate and apart from all public moneys
12 or funds of this State.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Municipal Grocery Tax Trust Fund.

20 (d) As soon as possible after the first day of each month,
21 upon certification of the Department, the Comptroller shall
22 order transferred, and the Treasurer shall transfer, to the
23 STAR Bonds Revenue Fund the local sales tax increment, if any,
24 as defined in the Innovation Development and Economy Act,
25 collected under this Section.

26 As soon as possible after the first day of each month, upon

1 certification of the Department of Revenue, the Comptroller
2 shall order transferred, and the Treasurer shall transfer, to
3 the STAR Bonds Revenue Fund the local sales tax increment, as
4 defined in the Statewide Innovation Development and Economy
5 Act, collected under this Section during the second preceding
6 calendar month for sales within a STAR bond district.

7 After the monthly transfers ~~transfer~~ to the STAR Bonds
8 Revenue Fund, if any, on or before the 25th day of each
9 calendar month, the Department shall prepare and certify to
10 the Comptroller the disbursement of stated sums of money to
11 named municipalities, the municipalities to be those from
12 which retailers have paid taxes or penalties under this
13 Section to the Department during the second preceding calendar
14 month. The amount to be paid to each municipality shall be the
15 amount (not including credit memoranda) collected under this
16 Section during the second preceding calendar month by the
17 Department plus an amount the Department determines is
18 necessary to offset any amounts that were erroneously paid to
19 a different taxing body, and not including an amount equal to
20 the amount of refunds made during the second preceding
21 calendar month by the Department on behalf of such
22 municipality, and not including any amount that the Department
23 determines is necessary to offset any amounts that were
24 payable to a different taxing body but were erroneously paid
25 to the municipality, and not including any amounts that are
26 transferred to the STAR Bonds Revenue Fund. Within 10 days

1 after receipt by the Comptroller of the disbursement
2 certification to the municipalities provided for in this
3 Section to be given to the Comptroller by the Department, the
4 Comptroller shall cause the orders to be drawn for the amounts
5 in accordance with the directions contained in the
6 certification.

7 (e) Nothing in this Section shall be construed to
8 authorize a municipality to impose a tax upon the privilege of
9 engaging in any business which under the Constitution of the
10 United States may not be made the subject of taxation by this
11 State.

12 (f) Except as otherwise provided in this subsection, an
13 ordinance or resolution imposing or discontinuing the tax
14 hereunder or effecting a change in the rate thereof shall
15 either (i) be adopted and a certified copy thereof filed with
16 the Department on or before the first day of April, whereupon
17 the Department shall proceed to administer and enforce this
18 Section as of the first day of July next following the adoption
19 and filing or (ii) be adopted and a certified copy thereof
20 filed with the Department on or before the first day of
21 October, whereupon the Department shall proceed to administer
22 and enforce this Section as of the first day of January next
23 following the adoption and filing.

24 (g) When certifying the amount of a monthly disbursement
25 to a municipality under this Section, the Department shall
26 increase or decrease the amount by an amount necessary to

1 offset any misallocation of previous disbursements. The offset
2 amount shall be the amount erroneously disbursed within the
3 previous 6 months from the time a misallocation is discovered.

4 (h) As used in this Section, "Department" means the
5 Department of Revenue.

6 For purposes of the tax authorized to be imposed under
7 subsection (a), "groceries" has the same meaning as "food for
8 human consumption that is to be consumed off the premises
9 where it is sold (other than alcoholic beverages, food
10 consisting of or infused with adult use cannabis, soft drinks,
11 candy, and food that has been prepared for immediate
12 consumption)", as further defined in Section 2-10 of the
13 Retailers' Occupation Tax Act.

14 For purposes of the tax authorized to be imposed under
15 subsection (b), "groceries" has the same meaning as "food for
16 human consumption that is to be consumed off the premises
17 where it is sold (other than alcoholic beverages, food
18 consisting of or infused with adult use cannabis, soft drinks,
19 candy, and food that has been prepared for immediate
20 consumption)", as further defined in Section 3-10 of the
21 Service Occupation Tax Act. For purposes of the tax authorized
22 to be imposed under subsection (b), "groceries" also means
23 food prepared for immediate consumption and transferred
24 incident to a sale of service subject to the Service
25 Occupation Tax Act or the Service Use Tax Act by an entity
26 licensed under the Hospital Licensing Act, the Nursing Home

1 Care Act, the Assisted Living and Shared Housing Act, the
2 ID/DD Community Care Act, the MC/DD Act, the Specialized
3 Mental Health Rehabilitation Act of 2013, or the Child Care
4 Act of 1969, or an entity that holds a permit issued pursuant
5 to the Life Care Facilities Act.

6 (i) This Section may be referred to as the Municipal
7 Grocery Occupation Tax Law.

8 (Source: P.A. 103-781, eff. 8-5-24; 104-6, eff. 1-1-26.)

9 (65 ILCS 5/11-74.3-6)

10 Sec. 11-74.3-6. Business district revenue and obligations;
11 business district tax allocation fund.

12 (a) If the corporate authorities of a municipality have
13 approved a business district plan, have designated a business
14 district, and have elected to impose a tax by ordinance
15 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
16 each year after the date of the approval of the ordinance but
17 terminating upon the date all business district project costs
18 and all obligations paying or reimbursing business district
19 project costs, if any, have been paid, but in no event later
20 than the dissolution date, all amounts generated by the
21 retailers' occupation tax and service occupation tax shall be
22 collected and the tax shall be enforced by the Department of
23 Revenue in the same manner as all retailers' occupation taxes
24 and service occupation taxes imposed in the municipality
25 imposing the tax and all amounts generated by the hotel

1 operators' occupation tax shall be collected and the tax shall
2 be enforced by the municipality in the same manner as all hotel
3 operators' occupation taxes imposed in the municipality
4 imposing the tax. The corporate authorities of the
5 municipality shall deposit the proceeds of the taxes imposed
6 under subsections (10) and (11) of Section 11-74.3-3 into a
7 special fund of the municipality called the "[Name of]
8 Business District Tax Allocation Fund" for the purpose of
9 paying or reimbursing business district project costs and
10 obligations incurred in the payment of those costs.

11 (b) The corporate authorities of a municipality that has
12 designated a business district under this Law may, by
13 ordinance, impose a Business District Retailers' Occupation
14 Tax upon all persons engaged in the business of selling
15 tangible personal property, other than an item of tangible
16 personal property titled or registered with an agency of this
17 State's government, at retail in the business district at a
18 rate not to exceed 1% of the gross receipts from the sales made
19 in the course of such business, to be imposed only in 0.25%
20 increments. The tax may not be imposed on tangible personal
21 property taxed at the rate of 1% under the Retailers'
22 Occupation Tax Act (or at the 0% rate imposed under this
23 amendatory Act of the 102nd General Assembly). Beginning
24 December 1, 2019 and through December 31, 2020, this tax is not
25 imposed on sales of aviation fuel unless the tax revenue is
26 expended for airport-related purposes. If the District does

1 not have an airport-related purpose to which it dedicates
2 aviation fuel tax revenue, then aviation fuel is excluded from
3 the tax. Each municipality must comply with the certification
4 requirements for airport-related purposes under Section 2-22
5 of the Retailers' Occupation Tax Act. For purposes of this
6 Section, "airport-related purposes" has the meaning ascribed
7 in Section 6z-20.2 of the State Finance Act. Beginning January
8 1, 2021, this tax is not imposed on sales of aviation fuel for
9 so long as the revenue use requirements of 49 U.S.C. 47107(b)
10 and 49 U.S.C. 47133 are binding on the District.

11 The tax imposed under this subsection and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the Department of Revenue. The
14 certificate of registration that is issued by the Department
15 to a retailer under the Retailers' Occupation Tax Act shall
16 permit the retailer to engage in a business that is taxable
17 under any ordinance or resolution enacted pursuant to this
18 subsection without registering separately with the Department
19 under such ordinance or resolution or under this subsection.
20 The Department of Revenue shall have full power to administer
21 and enforce this subsection; to collect all taxes and
22 penalties due under this subsection in the manner hereinafter
23 provided; and to determine all rights to credit memoranda
24 arising on account of the erroneous payment of tax or penalty
25 under this subsection. In the administration of, and
26 compliance with, this subsection, the Department and persons

1 who are subject to this subsection shall have the same rights,
2 remedies, privileges, immunities, powers and duties, and be
3 subject to the same conditions, restrictions, limitations,
4 penalties, exclusions, exemptions, and definitions of terms
5 and employ the same modes of procedure, as are prescribed in
6 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
7 provisions therein other than the State rate of tax), 2c
8 through 2h, 3 (except as to the disposition of taxes and
9 penalties collected, and except that the retailer's discount
10 is not allowed for taxes paid on aviation fuel that are subject
11 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,
13 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'
14 Occupation Tax Act and all provisions of the Uniform Penalty
15 and Interest Act, as fully as if those provisions were set
16 forth herein.

17 Persons subject to any tax imposed under this subsection
18 may reimburse themselves for their seller's tax liability
19 under this subsection by separately stating the tax as an
20 additional charge, which charge may be stated in combination,
21 in a single amount, with State taxes that sellers are required
22 to collect under the Use Tax Act, in accordance with such
23 bracket schedules as the Department may prescribe.

24 Whenever the Department determines that a refund should be
25 made under this subsection to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the
2 amount specified and to the person named in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the business district retailers' occupation
5 tax fund or the Local Government Aviation Trust Fund, as
6 appropriate.

7 Except as otherwise provided in this paragraph, the
8 Department shall immediately pay over to the State Treasurer,
9 ex officio, as trustee, all taxes, penalties, and interest
10 collected under this subsection for deposit into the business
11 district retailers' occupation tax fund. Taxes and penalties
12 collected on aviation fuel sold on or after December 1, 2019,
13 shall be immediately paid over by the Department to the State
14 Treasurer, ex officio, as trustee, for deposit into the Local
15 Government Aviation Trust Fund. The Department shall only pay
16 moneys into the Local Government Aviation Trust Fund under
17 this Section for so long as the revenue use requirements of 49
18 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
19 District.

20 As soon as possible after the first day of each month,
21 beginning January 1, 2011, upon certification of the
22 Department of Revenue, the Comptroller shall order
23 transferred, and the Treasurer shall transfer, to the STAR
24 Bonds Revenue Fund the local sales tax increment, as defined
25 in the Innovation Development and Economy Act, collected under
26 this subsection during the second preceding calendar month for

1 sales within a STAR bond district.

2 As soon as possible after the first day of each month,
3 beginning July 1, 2026, upon certification of the Department
4 of Revenue, the Comptroller shall order transferred, and the
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
6 local sales tax increment, as defined in the Statewide
7 Innovation Development and Economy Act, collected under this
8 Section during the second preceding calendar month for sales
9 within a STAR bond district.

10 After the monthly transfers ~~transfer~~ to the STAR Bonds
11 Revenue Fund, on or before the 25th day of each calendar month,
12 the Department shall prepare and certify to the Comptroller
13 the disbursement of stated sums of money to named
14 municipalities from the business district retailers'
15 occupation tax fund, the municipalities to be those from which
16 retailers have paid taxes or penalties under this subsection
17 to the Department during the second preceding calendar month.
18 The amount to be paid to each municipality shall be the amount
19 (not including credit memoranda and not including taxes and
20 penalties collected on aviation fuel sold on or after December
21 1, 2019) collected under this subsection during the second
22 preceding calendar month by the Department plus an amount the
23 Department determines is necessary to offset any amounts that
24 were erroneously paid to a different taxing body, and not
25 including an amount equal to the amount of refunds made during
26 the second preceding calendar month by the Department, less 2%

1 of that amount (except the amount collected on aviation fuel
2 sold on or after December 1, 2019), which shall be deposited
3 into the Tax Compliance and Administration Fund and shall be
4 used by the Department, subject to appropriation, to cover the
5 costs of the Department in administering and enforcing the
6 provisions of this subsection, on behalf of such municipality,
7 and not including any amount that the Department determines is
8 necessary to offset any amounts that were payable to a
9 different taxing body but were erroneously paid to the
10 municipality, and not including any amounts that are
11 transferred to the STAR Bonds Revenue Fund. Within 10 days
12 after receipt by the Comptroller of the disbursement
13 certification to the municipalities provided for in this
14 subsection to be given to the Comptroller by the Department,
15 the Comptroller shall cause the orders to be drawn for the
16 respective amounts in accordance with the directions contained
17 in the certification. The proceeds of the tax paid to
18 municipalities under this subsection shall be deposited into
19 the Business District Tax Allocation Fund by the municipality.

20 An ordinance imposing or discontinuing the tax under this
21 subsection or effecting a change in the rate thereof shall
22 either (i) be adopted and a certified copy thereof filed with
23 the Department on or before the first day of April, whereupon
24 the Department, if all other requirements of this subsection
25 are met, shall proceed to administer and enforce this
26 subsection as of the first day of July next following the

1 adoption and filing; or (ii) be adopted and a certified copy
2 thereof filed with the Department on or before the first day of
3 October, whereupon, if all other requirements of this
4 subsection are met, the Department shall proceed to administer
5 and enforce this subsection as of the first day of January next
6 following the adoption and filing.

7 The Department of Revenue shall not administer or enforce
8 an ordinance imposing, discontinuing, or changing the rate of
9 the tax under this subsection, until the municipality also
10 provides, in the manner prescribed by the Department, the
11 boundaries of the business district and each address in the
12 business district in such a way that the Department can
13 determine by its address whether a business is located in the
14 business district. The municipality must provide this boundary
15 and address information to the Department on or before April 1
16 for administration and enforcement of the tax under this
17 subsection by the Department beginning on the following July 1
18 and on or before October 1 for administration and enforcement
19 of the tax under this subsection by the Department beginning
20 on the following January 1. The Department of Revenue shall
21 not administer or enforce any change made to the boundaries of
22 a business district or address change, addition, or deletion
23 until the municipality reports the boundary change or address
24 change, addition, or deletion to the Department in the manner
25 prescribed by the Department. The municipality must provide
26 this boundary change information or address change, addition,

1 or deletion to the Department on or before April 1 for
2 administration and enforcement by the Department of the change
3 beginning on the following July 1 and on or before October 1
4 for administration and enforcement by the Department of the
5 change beginning on the following January 1. The retailers in
6 the business district shall be responsible for charging the
7 tax imposed under this subsection. If a retailer is
8 incorrectly included or excluded from the list of those
9 required to collect the tax under this subsection, both the
10 Department of Revenue and the retailer shall be held harmless
11 if they reasonably relied on information provided by the
12 municipality.

13 A municipality that imposes the tax under this subsection
14 must submit to the Department of Revenue any other information
15 as the Department may require for the administration and
16 enforcement of the tax.

17 When certifying the amount of a monthly disbursement to a
18 municipality under this subsection, the Department shall
19 increase or decrease the amount by an amount necessary to
20 offset any misallocation of previous disbursements. The offset
21 amount shall be the amount erroneously disbursed within the
22 previous 6 months from the time a misallocation is discovered.

23 Nothing in this subsection shall be construed to authorize
24 the municipality to impose a tax upon the privilege of
25 engaging in any business which under the Constitution of the
26 United States may not be made the subject of taxation by this

1 State.

2 If a tax is imposed under this subsection (b), a tax shall
3 also be imposed under subsection (c) of this Section.

4 (c) If a tax has been imposed under subsection (b), a
5 Business District Service Occupation Tax shall also be imposed
6 upon all persons engaged, in the business district, in the
7 business of making sales of service, who, as an incident to
8 making those sales of service, transfer tangible personal
9 property within the business district, either in the form of
10 tangible personal property or in the form of real estate as an
11 incident to a sale of service. The tax shall be imposed at the
12 same rate as the tax imposed in subsection (b) and shall not
13 exceed 1% of the selling price of tangible personal property
14 so transferred within the business district, to be imposed
15 only in 0.25% increments. The tax may not be imposed on
16 tangible personal property taxed at the 1% rate under the
17 Service Occupation Tax Act (or at the 0% rate imposed under
18 this amendatory Act of the 102nd General Assembly). Beginning
19 December 1, 2019, this tax is not imposed on sales of aviation
20 fuel unless the tax revenue is expended for airport-related
21 purposes. If the District does not have an airport-related
22 purpose to which it dedicates aviation fuel tax revenue, then
23 aviation fuel is excluded from the tax. Each municipality must
24 comply with the certification requirements for airport-related
25 purposes under Section 2-22 of the Retailers' Occupation Tax
26 Act. For purposes of this Act, "airport-related purposes" has

1 the meaning ascribed in Section 6z-20.2 of the State Finance
2 Act. Beginning January 1, 2021, this tax is not imposed on
3 sales of aviation fuel for so long as the revenue use
4 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
5 binding on the District.

6 The tax imposed under this subsection and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the Department of Revenue. The
9 certificate of registration which is issued by the Department
10 to a retailer under the Retailers' Occupation Tax Act or under
11 the Service Occupation Tax Act shall permit such registrant to
12 engage in a business which is taxable under any ordinance or
13 resolution enacted pursuant to this subsection without
14 registering separately with the Department under such
15 ordinance or resolution or under this subsection. The
16 Department of Revenue shall have full power to administer and
17 enforce this subsection; to collect all taxes and penalties
18 due under this subsection; to dispose of taxes and penalties
19 so collected in the manner hereinafter provided; and to
20 determine all rights to credit memoranda arising on account of
21 the erroneous payment of tax or penalty under this subsection.
22 In the administration of, and compliance with this subsection,
23 the Department and persons who are subject to this subsection
24 shall have the same rights, remedies, privileges, immunities,
25 powers and duties, and be subject to the same conditions,
26 restrictions, limitations, penalties, exclusions, exemptions,

1 and definitions of terms and employ the same modes of
2 procedure as are prescribed in Sections 2, 2a through 2d, 3
3 through 3-50 (in respect to all provisions therein other than
4 the State rate of tax), 4 (except that the reference to the
5 State shall be to the business district), 5, 7, 8 (except that
6 the jurisdiction to which the tax shall be a debt to the extent
7 indicated in that Section 8 shall be the municipality), 9
8 (except as to the disposition of taxes and penalties
9 collected, and except that the returned merchandise credit for
10 this tax may not be taken against any State tax, and except
11 that the retailer's discount is not allowed for taxes paid on
12 aviation fuel that are subject to the revenue use requirements
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
14 the reference therein to Section 2b of the Retailers'
15 Occupation Tax Act), 13 (except that any reference to the
16 State shall mean the municipality), the first paragraph of
17 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
18 Occupation Tax Act and all provisions of the Uniform Penalty
19 and Interest Act, as fully as if those provisions were set
20 forth herein.

21 Persons subject to any tax imposed under the authority
22 granted in this subsection may reimburse themselves for their
23 serviceman's tax liability hereunder by separately stating the
24 tax as an additional charge, which charge may be stated in
25 combination, in a single amount, with State tax that
26 servicemen are authorized to collect under the Service Use Tax

1 Act, in accordance with such bracket schedules as the
2 Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this subsection to a claimant instead of issuing
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named, in such
8 notification from the Department. Such refund shall be paid by
9 the State Treasurer out of the business district retailers'
10 occupation tax fund or the Local Government Aviation Trust
11 Fund, as appropriate.

12 Except as otherwise provided in this paragraph, the
13 Department shall forthwith pay over to the State Treasurer,
14 ex-officio, as trustee, all taxes, penalties, and interest
15 collected under this subsection for deposit into the business
16 district retailers' occupation tax fund. Taxes and penalties
17 collected on aviation fuel sold on or after December 1, 2019,
18 shall be immediately paid over by the Department to the State
19 Treasurer, ex officio, as trustee, for deposit into the Local
20 Government Aviation Trust Fund. The Department shall only pay
21 moneys into the Local Government Aviation Trust Fund under
22 this Section for so long as the revenue use requirements of 49
23 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
24 District.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2011, upon certification of the

1 Department of Revenue, the Comptroller shall order
2 transferred, and the Treasurer shall transfer, to the STAR
3 Bonds Revenue Fund the local sales tax increment, as defined
4 in the Innovation Development and Economy Act, collected under
5 this subsection during the second preceding calendar month for
6 sales within a STAR bond district.

7 As soon as possible after the first day of each month,
8 beginning July 1, 2026, upon certification of the Department
9 of Revenue, the Comptroller shall order transferred, and the
10 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
11 local sales tax increment, as defined in the Statewide
12 Innovation Development and Economy Act, collected under this
13 Section during the second preceding calendar month for sales
14 within a STAR bond district.

15 After the monthly transfers ~~transfer~~ to the STAR Bonds
16 Revenue Fund, on or before the 25th day of each calendar month,
17 the Department shall prepare and certify to the Comptroller
18 the disbursement of stated sums of money to named
19 municipalities from the business district retailers'
20 occupation tax fund, the municipalities to be those from which
21 suppliers and servicemen have paid taxes or penalties under
22 this subsection to the Department during the second preceding
23 calendar month. The amount to be paid to each municipality
24 shall be the amount (not including credit memoranda and not
25 including taxes and penalties collected on aviation fuel sold
26 on or after December 1, 2019) collected under this subsection

1 during the second preceding calendar month by the Department,
2 less 2% of that amount (except the amount collected on
3 aviation fuel sold on or after December 1, 2019), which shall
4 be deposited into the Tax Compliance and Administration Fund
5 and shall be used by the Department, subject to appropriation,
6 to cover the costs of the Department in administering and
7 enforcing the provisions of this subsection, and not including
8 an amount equal to the amount of refunds made during the second
9 preceding calendar month by the Department on behalf of such
10 municipality, and not including any amounts that are
11 transferred to the STAR Bonds Revenue Fund. Within 10 days
12 after receipt, by the Comptroller, of the disbursement
13 certification to the municipalities, provided for in this
14 subsection to be given to the Comptroller by the Department,
15 the Comptroller shall cause the orders to be drawn for the
16 respective amounts in accordance with the directions contained
17 in such certification. The proceeds of the tax paid to
18 municipalities under this subsection shall be deposited into
19 the Business District Tax Allocation Fund by the municipality.

20 An ordinance imposing or discontinuing the tax under this
21 subsection or effecting a change in the rate thereof shall
22 either (i) be adopted and a certified copy thereof filed with
23 the Department on or before the first day of April, whereupon
24 the Department, if all other requirements of this subsection
25 are met, shall proceed to administer and enforce this
26 subsection as of the first day of July next following the

1 adoption and filing; or (ii) be adopted and a certified copy
2 thereof filed with the Department on or before the first day of
3 October, whereupon, if all other conditions of this subsection
4 are met, the Department shall proceed to administer and
5 enforce this subsection as of the first day of January next
6 following the adoption and filing.

7 The Department of Revenue shall not administer or enforce
8 an ordinance imposing, discontinuing, or changing the rate of
9 the tax under this subsection, until the municipality also
10 provides, in the manner prescribed by the Department, the
11 boundaries of the business district in such a way that the
12 Department can determine by its address whether a business is
13 located in the business district. The municipality must
14 provide this boundary and address information to the
15 Department on or before April 1 for administration and
16 enforcement of the tax under this subsection by the Department
17 beginning on the following July 1 and on or before October 1
18 for administration and enforcement of the tax under this
19 subsection by the Department beginning on the following
20 January 1. The Department of Revenue shall not administer or
21 enforce any change made to the boundaries of a business
22 district or address change, addition, or deletion until the
23 municipality reports the boundary change or address change,
24 addition, or deletion to the Department in the manner
25 prescribed by the Department. The municipality must provide
26 this boundary change information or address change, addition,

1 or deletion to the Department on or before April 1 for
2 administration and enforcement by the Department of the change
3 beginning on the following July 1 and on or before October 1
4 for administration and enforcement by the Department of the
5 change beginning on the following January 1. The retailers in
6 the business district shall be responsible for charging the
7 tax imposed under this subsection. If a retailer is
8 incorrectly included or excluded from the list of those
9 required to collect the tax under this subsection, both the
10 Department of Revenue and the retailer shall be held harmless
11 if they reasonably relied on information provided by the
12 municipality.

13 A municipality that imposes the tax under this subsection
14 must submit to the Department of Revenue any other information
15 as the Department may require for the administration and
16 enforcement of the tax.

17 Nothing in this subsection shall be construed to authorize
18 the municipality to impose a tax upon the privilege of
19 engaging in any business which under the Constitution of the
20 United States may not be made the subject of taxation by the
21 State.

22 If a tax is imposed under this subsection (c), a tax shall
23 also be imposed under subsection (b) of this Section.

24 (c-5) If, on January 1, 2025, a unit of local government
25 has in effect a tax under this Section, or if, after January 1,
26 2025, a unit of local government imposes a tax under this

1 Section, then that tax applies to leases of tangible personal
2 property in effect, entered into, or renewed on or after that
3 date in the same manner as the tax under this Section and in
4 accordance with the changes made by this amendatory Act of the
5 103rd General Assembly.

6 (d) By ordinance, a municipality that has designated a
7 business district under this Law may impose an occupation tax
8 upon all persons engaged in the business district in the
9 business of renting, leasing, or letting rooms in a hotel, as
10 defined in the Hotel Operators' Occupation Tax Act, at a rate
11 not to exceed 1% of the gross rental receipts from the renting,
12 leasing, or letting of hotel rooms within the business
13 district, to be imposed only in 0.25% increments, excluding,
14 however, from gross rental receipts the proceeds of renting,
15 leasing, or letting to permanent residents of a hotel, as
16 defined in the Hotel Operators' Occupation Tax Act, and
17 proceeds from the tax imposed under subsection (c) of Section
18 13 of the Metropolitan Pier and Exposition Authority Act.

19 The tax imposed by the municipality under this subsection
20 and all civil penalties that may be assessed as an incident to
21 that tax shall be collected and enforced by the municipality
22 imposing the tax. The municipality shall have full power to
23 administer and enforce this subsection, to collect all taxes
24 and penalties due under this subsection, to dispose of taxes
25 and penalties so collected in the manner provided in this
26 subsection, and to determine all rights to credit memoranda

1 arising on account of the erroneous payment of tax or penalty
2 under this subsection. In the administration of and compliance
3 with this subsection, the municipality and persons who are
4 subject to this subsection shall have the same rights,
5 remedies, privileges, immunities, powers, and duties, shall be
6 subject to the same conditions, restrictions, limitations,
7 penalties, and definitions of terms, and shall employ the same
8 modes of procedure as are employed with respect to a tax
9 adopted by the municipality under Section 8-3-14 of this Code.

10 Persons subject to any tax imposed under the authority
11 granted in this subsection may reimburse themselves for their
12 tax liability for that tax by separately stating that tax as an
13 additional charge, which charge may be stated in combination,
14 in a single amount, with State taxes imposed under the Hotel
15 Operators' Occupation Tax Act, and with any other tax.

16 Nothing in this subsection shall be construed to authorize
17 a municipality to impose a tax upon the privilege of engaging
18 in any business which under the Constitution of the United
19 States may not be made the subject of taxation by this State.

20 The proceeds of the tax imposed under this subsection
21 shall be deposited into the Business District Tax Allocation
22 Fund.

23 (e) Obligations secured by the Business District Tax
24 Allocation Fund may be issued to provide for the payment or
25 reimbursement of business district project costs. Those
26 obligations, when so issued, shall be retired in the manner

1 provided in the ordinance authorizing the issuance of those
2 obligations by the receipts of taxes imposed pursuant to
3 subsections (10) and (11) of Section 11-74.3-3 and by other
4 revenue designated or pledged by the municipality. A
5 municipality may in the ordinance pledge, for any period of
6 time up to and including the dissolution date, all or any part
7 of the funds in and to be deposited in the Business District
8 Tax Allocation Fund to the payment of business district
9 project costs and obligations. Whenever a municipality pledges
10 all of the funds to the credit of a business district tax
11 allocation fund to secure obligations issued or to be issued
12 to pay or reimburse business district project costs, the
13 municipality may specifically provide that funds remaining to
14 the credit of such business district tax allocation fund after
15 the payment of such obligations shall be accounted for
16 annually and shall be deemed to be "surplus" funds, and such
17 "surplus" funds shall be expended by the municipality for any
18 business district project cost as approved in the business
19 district plan. Whenever a municipality pledges less than all
20 of the monies to the credit of a business district tax
21 allocation fund to secure obligations issued or to be issued
22 to pay or reimburse business district project costs, the
23 municipality shall provide that monies to the credit of the
24 business district tax allocation fund and not subject to such
25 pledge or otherwise encumbered or required for payment of
26 contractual obligations for specific business district project

1 costs shall be calculated annually and shall be deemed to be
2 "surplus" funds, and such "surplus" funds shall be expended by
3 the municipality for any business district project cost as
4 approved in the business district plan.

5 No obligation issued pursuant to this Law and secured by a
6 pledge of all or any portion of any revenues received or to be
7 received by the municipality from the imposition of taxes
8 pursuant to subsection (10) of Section 11-74.3-3, shall be
9 deemed to constitute an economic incentive agreement under
10 Section 8-11-20, notwithstanding the fact that such pledge
11 provides for the sharing, rebate, or payment of retailers'
12 occupation taxes or service occupation taxes imposed pursuant
13 to subsection (10) of Section 11-74.3-3 and received or to be
14 received by the municipality from the development or
15 redevelopment of properties in the business district.

16 Without limiting the foregoing in this Section, the
17 municipality may further secure obligations secured by the
18 business district tax allocation fund with a pledge, for a
19 period not greater than the term of the obligations and in any
20 case not longer than the dissolution date, of any part or any
21 combination of the following: (i) net revenues of all or part
22 of any business district project; (ii) taxes levied or imposed
23 by the municipality on any or all property in the
24 municipality, including, specifically, taxes levied or imposed
25 by the municipality in a special service area pursuant to the
26 Special Service Area Tax Law; (iii) the full faith and credit

1 of the municipality; (iv) a mortgage on part or all of the
2 business district project; or (v) any other taxes or
3 anticipated receipts that the municipality may lawfully
4 pledge.

5 Such obligations may be issued in one or more series, bear
6 such date or dates, become due at such time or times as therein
7 provided, but in any case not later than (i) 20 years after the
8 date of issue or (ii) the dissolution date, whichever is
9 earlier, bear interest payable at such intervals and at such
10 rate or rates as set forth therein, except as may be limited by
11 applicable law, which rate or rates may be fixed or variable,
12 be in such denominations, be in such form, either coupon,
13 registered, or book-entry, carry such conversion, registration
14 and exchange privileges, be subject to defeasance upon such
15 terms, have such rank or priority, be executed in such manner,
16 be payable in such medium or payment at such place or places
17 within or without the State, make provision for a corporate
18 trustee within or without the State with respect to such
19 obligations, prescribe the rights, powers, and duties thereof
20 to be exercised for the benefit of the municipality and the
21 benefit of the owners of such obligations, provide for the
22 holding in trust, investment, and use of moneys, funds, and
23 accounts held under an ordinance, provide for assignment of
24 and direct payment of the moneys to pay such obligations or to
25 be deposited into such funds or accounts directly to such
26 trustee, be subject to such terms of redemption with or

1 without premium, and be sold at such price, all as the
2 corporate authorities shall determine. No referendum approval
3 of the electors shall be required as a condition to the
4 issuance of obligations pursuant to this Law except as
5 provided in this Section.

6 In the event the municipality authorizes the issuance of
7 obligations pursuant to the authority of this Law secured by
8 the full faith and credit of the municipality, or pledges ad
9 valorem taxes pursuant to this subsection, which obligations
10 are other than obligations which may be issued under home rule
11 powers provided by Section 6 of Article VII of the Illinois
12 Constitution or which ad valorem taxes are other than ad
13 valorem taxes which may be pledged under home rule powers
14 provided by Section 6 of Article VII of the Illinois
15 Constitution or which are levied in a special service area
16 pursuant to the Special Service Area Tax Law, the ordinance
17 authorizing the issuance of those obligations or pledging
18 those taxes shall be published within 10 days after the
19 ordinance has been adopted, in a newspaper having a general
20 circulation within the municipality. The publication of the
21 ordinance shall be accompanied by a notice of (i) the specific
22 number of voters required to sign a petition requesting the
23 question of the issuance of the obligations or pledging such
24 ad valorem taxes to be submitted to the electors; (ii) the time
25 within which the petition must be filed; and (iii) the date of
26 the prospective referendum. The municipal clerk shall provide

1 a petition form to any individual requesting one.

2 If no petition is filed with the municipal clerk, as
3 hereinafter provided in this Section, within 21 days after the
4 publication of the ordinance, the ordinance shall be in
5 effect. However, if within that 21-day period a petition is
6 filed with the municipal clerk, signed by electors numbering
7 not less than 15% of the number of electors voting for the
8 mayor or president at the last general municipal election,
9 asking that the question of issuing obligations using full
10 faith and credit of the municipality as security for the cost
11 of paying or reimbursing business district project costs, or
12 of pledging such ad valorem taxes for the payment of those
13 obligations, or both, be submitted to the electors of the
14 municipality, the municipality shall not be authorized to
15 issue obligations of the municipality using the full faith and
16 credit of the municipality as security or pledging such ad
17 valorem taxes for the payment of those obligations, or both,
18 until the proposition has been submitted to and approved by a
19 majority of the voters voting on the proposition at a
20 regularly scheduled election. The municipality shall certify
21 the proposition to the proper election authorities for
22 submission in accordance with the general election law.

23 The ordinance authorizing the obligations may provide that
24 the obligations shall contain a recital that they are issued
25 pursuant to this Law, which recital shall be conclusive
26 evidence of their validity and of the regularity of their

1 issuance.

2 In the event the municipality authorizes issuance of
3 obligations pursuant to this Law secured by the full faith and
4 credit of the municipality, the ordinance authorizing the
5 obligations may provide for the levy and collection of a
6 direct annual tax upon all taxable property within the
7 municipality sufficient to pay the principal thereof and
8 interest thereon as it matures, which levy may be in addition
9 to and exclusive of the maximum of all other taxes authorized
10 to be levied by the municipality, which levy, however, shall
11 be abated to the extent that monies from other sources are
12 available for payment of the obligations and the municipality
13 certifies the amount of those monies available to the county
14 clerk.

15 A certified copy of the ordinance shall be filed with the
16 county clerk of each county in which any portion of the
17 municipality is situated, and shall constitute the authority
18 for the extension and collection of the taxes to be deposited
19 in the business district tax allocation fund.

20 A municipality may also issue its obligations to refund,
21 in whole or in part, obligations theretofore issued by the
22 municipality under the authority of this Law, whether at or
23 prior to maturity. However, the last maturity of the refunding
24 obligations shall not be expressed to mature later than the
25 dissolution date.

26 In the event a municipality issues obligations under home

1 rule powers or other legislative authority, the proceeds of
2 which are pledged to pay or reimburse business district
3 project costs, the municipality may, if it has followed the
4 procedures in conformance with this Law, retire those
5 obligations from funds in the business district tax allocation
6 fund in amounts and in such manner as if those obligations had
7 been issued pursuant to the provisions of this Law.

8 No obligations issued pursuant to this Law shall be
9 regarded as indebtedness of the municipality issuing those
10 obligations or any other taxing district for the purpose of
11 any limitation imposed by law.

12 Obligations issued pursuant to this Law shall not be
13 subject to the provisions of the Bond Authorization Act.

14 (f) When business district project costs, including,
15 without limitation, all obligations paying or reimbursing
16 business district project costs have been paid, any surplus
17 funds then remaining in the Business District Tax Allocation
18 Fund shall be distributed to the municipal treasurer for
19 deposit into the general corporate fund of the municipality.
20 Upon payment of all business district project costs and
21 retirement of all obligations paying or reimbursing business
22 district project costs, but in no event more than 23 years
23 after the date of adoption of the ordinance imposing taxes
24 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
25 municipality shall adopt an ordinance immediately rescinding
26 the taxes imposed pursuant to subsection (10) or (11) of

1 Section 11-74.3-3.

2 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

3 Section 100-25. The Metro-East Park and Recreation
4 District Act is amended by changing Section 30 as follows:

5 (70 ILCS 1605/30)

6 Sec. 30. Taxes.

7 (a) The board shall impose a tax upon all persons engaged
8 in the business of selling tangible personal property, other
9 than personal property titled or registered with an agency of
10 this State's government, at retail in the District on the
11 gross receipts from the sales made in the course of business.
12 This tax shall be imposed only at the rate of one-tenth of one
13 per cent.

14 This additional tax may not be imposed on tangible
15 personal property taxed at the 1% rate under the Retailers'
16 Occupation Tax Act (or at the 0% rate imposed under this
17 amendatory Act of the 102nd General Assembly). Beginning
18 December 1, 2019 and through December 31, 2020, this tax is not
19 imposed on sales of aviation fuel unless the tax revenue is
20 expended for airport-related purposes. If the District does
21 not have an airport-related purpose to which it dedicates
22 aviation fuel tax revenue, then aviation fuel shall be
23 excluded from tax. The board must comply with the
24 certification requirements for airport-related purposes under

1 Section 2-22 of the Retailers' Occupation Tax Act. For
2 purposes of this Act, "airport-related purposes" has the
3 meaning ascribed in Section 6z-20.2 of the State Finance Act.
4 Beginning January 1, 2021, this tax is not imposed on sales of
5 aviation fuel for so long as the revenue use requirements of 49
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
7 District. The tax imposed by the Board under this Section and
8 all civil penalties that may be assessed as an incident of the
9 tax shall be collected and enforced by the Department of
10 Revenue. The certificate of registration that is issued by the
11 Department to a retailer under the Retailers' Occupation Tax
12 Act shall permit the retailer to engage in a business that is
13 taxable without registering separately with the Department
14 under an ordinance or resolution under this Section. The
15 Department has full power to administer and enforce this
16 Section, to collect all taxes and penalties due under this
17 Section, to dispose of taxes and penalties so collected in the
18 manner provided in this Section, and to determine all rights
19 to credit memoranda arising on account of the erroneous
20 payment of a tax or penalty under this Section. In the
21 administration of and compliance with this Section, the
22 Department and persons who are subject to this Section shall
23 (i) have the same rights, remedies, privileges, immunities,
24 powers, and duties, (ii) be subject to the same conditions,
25 restrictions, limitations, penalties, and definitions of
26 terms, and (iii) employ the same modes of procedure as are

1 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
2 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
3 contained in those Sections other than the State rate of tax),
4 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
5 relating to transaction returns and quarter monthly payments,
6 and except that the retailer's discount is not allowed for
7 taxes paid on aviation fuel that are subject to the revenue use
8 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
9 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
10 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
11 Occupation Tax Act and the Uniform Penalty and Interest Act as
12 if those provisions were set forth in this Section.

13 Persons subject to any tax imposed under the authority
14 granted in this Section may reimburse themselves for their
15 sellers' tax liability by separately stating the tax as an
16 additional charge, which charge may be stated in combination,
17 in a single amount, with State tax which sellers are required
18 to collect under the Use Tax Act, pursuant to such bracketed
19 schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be
21 made under this Section to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the order to be drawn for the
24 amount specified and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the State Metro-East Park and Recreation

1 District Fund or the Local Government Aviation Trust Fund, as
2 appropriate.

3 (b) If a tax has been imposed under subsection (a), a
4 service occupation tax shall also be imposed at the same rate
5 upon all persons engaged, in the District, in the business of
6 making sales of service, who, as an incident to making those
7 sales of service, transfer tangible personal property within
8 the District as an incident to a sale of service. This tax may
9 not be imposed on tangible personal property taxed at the 1%
10 rate under the Service Occupation Tax Act (or at the 0% rate
11 imposed under this amendatory Act of the 102nd General
12 Assembly). Beginning December 1, 2019 and through December 31,
13 2020, this tax may not be imposed on sales of aviation fuel
14 unless the tax revenue is expended for airport-related
15 purposes. If the District does not have an airport-related
16 purpose to which it dedicates aviation fuel tax revenue, then
17 aviation fuel shall be excluded from tax. The board must
18 comply with the certification requirements for airport-related
19 purposes under Section 2-22 of the Retailers' Occupation Tax
20 Act. For purposes of this Act, "airport-related purposes" has
21 the meaning ascribed in Section 6z-20.2 of the State Finance
22 Act. Beginning January 1, 2021, this tax is not imposed on
23 sales of aviation fuel for so long as the revenue use
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
25 binding on the District. The tax imposed under this subsection
26 and all civil penalties that may be assessed as an incident

1 thereof shall be collected and enforced by the Department of
2 Revenue. The Department has full power to administer and
3 enforce this subsection; to collect all taxes and penalties
4 due hereunder; to dispose of taxes and penalties so collected
5 in the manner hereinafter provided; and to determine all
6 rights to credit memoranda arising on account of the erroneous
7 payment of tax or penalty hereunder. In the administration of,
8 and compliance with this subsection, the Department and
9 persons who are subject to this paragraph shall (i) have the
10 same rights, remedies, privileges, immunities, powers, and
11 duties, (ii) be subject to the same conditions, restrictions,
12 limitations, penalties, exclusions, exemptions, and
13 definitions of terms, and (iii) employ the same modes of
14 procedure as are prescribed in Sections 2 (except that the
15 reference to State in the definition of supplier maintaining a
16 place of business in this State shall mean the District), 2a,
17 2b, 2c, 3 through 3-50 (in respect to all provisions therein
18 other than the State rate of tax), 4 (except that the reference
19 to the State shall be to the District), 5, 7, 8 (except that
20 the jurisdiction to which the tax shall be a debt to the extent
21 indicated in that Section 8 shall be the District), 9 (except
22 as to the disposition of taxes and penalties collected, and
23 except that the retailer's discount is not allowed for taxes
24 paid on aviation fuel that are subject to the revenue use
25 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
26 11, 12 (except the reference therein to Section 2b of the

1 Retailers' Occupation Tax Act), 13 (except that any reference
2 to the State shall mean the District), Sections 15, 16, 17, 18,
3 19 and 20 of the Service Occupation Tax Act and the Uniform
4 Penalty and Interest Act, as fully as if those provisions were
5 set forth herein.

6 Persons subject to any tax imposed under the authority
7 granted in this subsection may reimburse themselves for their
8 serviceman's tax liability by separately stating the tax as an
9 additional charge, which charge may be stated in combination,
10 in a single amount, with State tax that servicemen are
11 authorized to collect under the Service Use Tax Act, in
12 accordance with such bracket schedules as the Department may
13 prescribe.

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the warrant to be drawn for the
18 amount specified, and to the person named, in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the State Metro-East Park and Recreation
21 District Fund or the Local Government Aviation Trust Fund, as
22 appropriate.

23 Nothing in this subsection shall be construed to authorize
24 the board to impose a tax upon the privilege of engaging in any
25 business which under the Constitution of the United States may
26 not be made the subject of taxation by the State.

1 (b-5) If, on January 1, 2025, a unit of local government
2 has in effect a tax under this Section, or if, after January 1,
3 2025, a unit of local government imposes a tax under this
4 Section, then that tax applies to leases of tangible personal
5 property in effect, entered into, or renewed on or after that
6 date in the same manner as the tax under this Section and in
7 accordance with the changes made by this amendatory Act of the
8 103rd General Assembly.

9 (c) Except as otherwise provided in this paragraph, the
10 Department shall immediately pay over to the State Treasurer,
11 ex officio, as trustee, all taxes and penalties collected
12 under this Section to be deposited into the State Metro-East
13 Park and Recreation District Fund, which shall be an
14 unappropriated trust fund held outside of the State treasury.
15 Taxes and penalties collected on aviation fuel sold on or
16 after December 1, 2019 and through December 31, 2020, shall be
17 immediately paid over by the Department to the State
18 Treasurer, ex officio, as trustee, for deposit into the Local
19 Government Aviation Trust Fund. The Department shall only pay
20 moneys into the Local Government Aviation Trust Fund under
21 this Act for so long as the revenue use requirements of 49
22 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
23 District.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2011, upon certification of the
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR
2 Bonds Revenue Fund the local sales tax increment, as defined
3 in the Innovation Development and Economy Act, collected under
4 this Section during the second preceding calendar month for
5 sales within a STAR bond district. The Department shall make
6 this certification only if the Metro East Park and Recreation
7 District imposes a tax on real property as provided in the
8 definition of "local sales taxes" under the Innovation
9 Development and Economy Act.

10 As soon as possible after the first day of each month,
11 beginning July 1, 2026, upon certification of the Department
12 of Revenue, the Comptroller shall order transferred, and the
13 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
14 local sales tax increment, as defined in the Statewide
15 Innovation Development and Economy Act, collected under this
16 Section during the second preceding calendar month for sales
17 within a STAR bond district. The Department shall make this
18 certification only if the Metro East Park and Recreation
19 District imposes a tax on real property as provided in the
20 definition of "local sales taxes" under the Statewide
21 Innovation Development and Economy Act.

22 After the monthly transfers ~~transfer~~ to the STAR Bonds
23 Revenue Fund, on or before the 25th day of each calendar month,
24 the Department shall prepare and certify to the Comptroller
25 the disbursement of stated sums of money pursuant to Section
26 35 of this Act to the District from which retailers have paid

1 taxes or penalties to the Department during the second
2 preceding calendar month. The amount to be paid to the
3 District shall be the amount (not including credit memoranda
4 and not including taxes and penalties collected on aviation
5 fuel sold on or after December 1, 2019 and through December 31,
6 2020) collected under this Section during the second preceding
7 calendar month by the Department plus an amount the Department
8 determines is necessary to offset any amounts that were
9 erroneously paid to a different taxing body, and not including
10 (i) an amount equal to the amount of refunds made during the
11 second preceding calendar month by the Department on behalf of
12 the District, (ii) any amount that the Department determines
13 is necessary to offset any amounts that were payable to a
14 different taxing body but were erroneously paid to the
15 District, (iii) any amounts that are transferred to the STAR
16 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
17 Department shall transfer into the Tax Compliance and
18 Administration Fund. The Department, at the time of each
19 monthly disbursement to the District, shall prepare and
20 certify to the State Comptroller the amount to be transferred
21 into the Tax Compliance and Administration Fund under this
22 subsection. Within 10 days after receipt by the Comptroller of
23 the disbursement certification to the District and the Tax
24 Compliance and Administration Fund provided for in this
25 Section to be given to the Comptroller by the Department, the
26 Comptroller shall cause the orders to be drawn for the

1 respective amounts in accordance with directions contained in
2 the certification.

3 (d) For the purpose of determining whether a tax
4 authorized under this Section is applicable, a retail sale by
5 a producer of coal or another mineral mined in Illinois is a
6 sale at retail at the place where the coal or other mineral
7 mined in Illinois is extracted from the earth. This paragraph
8 does not apply to coal or another mineral when it is delivered
9 or shipped by the seller to the purchaser at a point outside
10 Illinois so that the sale is exempt under the United States
11 Constitution as a sale in interstate or foreign commerce.

12 (e) Nothing in this Section shall be construed to
13 authorize the board to impose a tax upon the privilege of
14 engaging in any business that under the Constitution of the
15 United States may not be made the subject of taxation by this
16 State.

17 (f) An ordinance imposing a tax under this Section or an
18 ordinance extending the imposition of a tax to an additional
19 county or counties shall be certified by the board and filed
20 with the Department of Revenue either (i) on or before the
21 first day of April, whereupon the Department shall proceed to
22 administer and enforce the tax as of the first day of July next
23 following the filing; or (ii) on or before the first day of
24 October, whereupon the Department shall proceed to administer
25 and enforce the tax as of the first day of January next
26 following the filing.

1 (g) When certifying the amount of a monthly disbursement
2 to the District under this Section, the Department shall
3 increase or decrease the amounts by an amount necessary to
4 offset any misallocation of previous disbursements. The offset
5 amount shall be the amount erroneously disbursed within the
6 previous 6 months from the time a misallocation is discovered.
7 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

8 Section 100-30. The Local Mass Transit District Act is
9 amended by changing Section 5.01 as follows:

10 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

11 Sec. 5.01. Metro East Mass Transit District; use and
12 occupation taxes.

13 (a) The Board of Trustees of any Metro East Mass Transit
14 District may, by ordinance adopted with the concurrence of
15 two-thirds of the then trustees, impose throughout the
16 District any or all of the taxes and fees provided in this
17 Section. Except as otherwise provided, all taxes and fees
18 imposed under this Section shall be used only for public mass
19 transportation systems, and the amount used to provide mass
20 transit service to unserved areas of the District shall be in
21 the same proportion to the total proceeds as the number of
22 persons residing in the unserved areas is to the total
23 population of the District. Except as otherwise provided in
24 this Act, taxes imposed under this Section and civil penalties

1 imposed incident thereto shall be collected and enforced by
2 the State Department of Revenue. The Department shall have the
3 power to administer and enforce the taxes and to determine all
4 rights for refunds for erroneous payments of the taxes.

5 (b) The Board may impose a Metro East Mass Transit
6 District Retailers' Occupation Tax upon all persons engaged in
7 the business of selling tangible personal property at retail
8 in the district at a rate of 1/4 of 1%, or as authorized under
9 subsection (d-5) of this Section, of the gross receipts from
10 the sales made in the course of such business within the
11 district, including sales of food for human consumption that
12 is to be consumed off the premises where it is sold (other than
13 alcoholic beverages, food consisting of or infused with adult
14 use cannabis, soft drinks, candy, and food that has been
15 prepared for immediate consumption), except that the rate of
16 tax imposed under this Section on sales of aviation fuel on or
17 after December 1, 2019 shall be 0.25% in Madison County unless
18 the Metro-East Mass Transit District in Madison County has an
19 "airport-related purpose" and any additional amount authorized
20 under subsection (d-5) is expended for airport-related
21 purposes. If there is no airport-related purpose to which
22 aviation fuel tax revenue is dedicated, then aviation fuel is
23 excluded from any additional amount authorized under
24 subsection (d-5). The rate in St. Clair County shall be 0.25%
25 unless the Metro-East Mass Transit District in St. Clair
26 County has an "airport-related purpose" and the additional

1 0.50% of the 0.75% tax on aviation fuel imposed in that County
2 is expended for airport-related purposes. If there is no
3 airport-related purpose to which aviation fuel tax revenue is
4 dedicated, then aviation fuel is excluded from the additional
5 0.50% of the 0.75% tax.

6 The Board must comply with the certification requirements
7 for airport-related purposes under Section 2-22 of the
8 Retailers' Occupation Tax Act. For purposes of this Section,
9 "airport-related purposes" has the meaning ascribed in Section
10 6z-20.2 of the State Finance Act. This exclusion for aviation
11 fuel only applies for so long as the revenue use requirements
12 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
13 District.

14 The tax imposed under this Section and all civil penalties
15 that may be assessed as an incident thereof shall be collected
16 and enforced by the State Department of Revenue. The
17 Department shall have full power to administer and enforce
18 this Section; to collect all taxes and penalties so collected
19 in the manner hereinafter provided; and to determine all
20 rights to credit memoranda arising on account of the erroneous
21 payment of tax or penalty hereunder. In the administration of,
22 and compliance with, this Section, the Department and persons
23 who are subject to this Section shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions and definitions of terms and

1 employ the same modes of procedure, as are prescribed in
2 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
3 (in respect to all provisions therein other than the State
4 rate of tax and other than the exemption for food for human
5 consumption that is to be consumed off the premises where it is
6 sold (other than alcoholic beverages, food consisting of or
7 infused with adult use cannabis, soft drinks, candy, and food
8 that has been prepared for immediate consumption), which is
9 taxed at the rate as provided in this subsection), 2c, 3
10 (except as to the disposition of taxes and penalties
11 collected, and except that the retailer's discount is not
12 allowed for taxes paid on aviation fuel that are subject to the
13 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
14 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6,
15 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the
16 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
17 Penalty and Interest Act, as fully as if those provisions were
18 set forth herein.

19 Persons subject to any tax imposed under the Section may
20 reimburse themselves for their seller's tax liability
21 hereunder by separately stating the tax as an additional
22 charge, which charge may be stated in combination, in a single
23 amount, with State taxes that sellers are required to collect
24 under the Use Tax Act, in accordance with such bracket
25 schedules as the Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing a
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the warrant to be drawn for the
4 amount specified, and to the person named, in the notification
5 from the Department. The refund shall be paid by the State
6 Treasurer out of the Metro East Mass Transit District tax fund
7 established under paragraph (h) of this Section or the Local
8 Government Aviation Trust Fund, as appropriate.

9 If a tax is imposed under this subsection (b), a tax shall
10 also be imposed under subsections (c) and (d) of this Section.

11 For the purpose of determining whether a tax authorized
12 under this Section is applicable, a retail sale, by a producer
13 of coal or other mineral mined in Illinois, is a sale at retail
14 at the place where the coal or other mineral mined in Illinois
15 is extracted from the earth. This paragraph does not apply to
16 coal or other mineral when it is delivered or shipped by the
17 seller to the purchaser at a point outside Illinois so that the
18 sale is exempt under the Federal Constitution as a sale in
19 interstate or foreign commerce.

20 No tax shall be imposed or collected under this subsection
21 on the sale of a motor vehicle in this State to a resident of
22 another state if that motor vehicle will not be titled in this
23 State.

24 Nothing in this Section shall be construed to authorize
25 the Metro East Mass Transit District to impose a tax upon the
26 privilege of engaging in any business which under the

1 Constitution of the United States may not be made the subject
2 of taxation by this State.

3 (c) If a tax has been imposed under subsection (b), a Metro
4 East Mass Transit District Service Occupation Tax shall also
5 be imposed upon all persons engaged, in the district, in the
6 business of making sales of service, who, as an incident to
7 making those sales of service, transfer tangible personal
8 property within the District, either in the form of tangible
9 personal property or in the form of real estate as an incident
10 to a sale of service. The tax rate shall be (1) 1/4%, or as
11 authorized under subsection (d-5) of this Section, of the
12 selling price of tangible personal property so transferred
13 within the district, including food for human consumption that
14 is to be consumed off the premises where it is sold (other than
15 alcoholic beverages, food consisting of or infused with adult
16 use cannabis, soft drinks, candy, and food that has been
17 prepared for immediate consumption); and (2) 1/4%, or as
18 authorized under subsection (d-5) of this Section, of the
19 serviceman's cost price of food prepared for immediate
20 consumption and transferred incident to a sale of service
21 subject to the service occupation tax by an entity that is
22 licensed under the Hospital Licensing Act, the Nursing Home
23 Care Act, the Assisted Living and Shared Housing Act, the
24 Specialized Mental Health Rehabilitation Act of 2013, the
25 ID/DD Community Care Act, or the MC/DD Act, or the Child Care
26 Act of 1969, or an entity that holds a permit issued pursuant

1 to the Life Care Facilities Act. However, the rate of tax
2 imposed in these Counties under this Section on sales of
3 aviation fuel on or after December 1, 2019 shall be 0.25% in
4 Madison County unless the Metro-East Mass Transit District in
5 Madison County has an "airport-related purpose" and any
6 additional amount authorized under subsection (d-5) is
7 expended for airport-related purposes. If there is no
8 airport-related purpose to which aviation fuel tax revenue is
9 dedicated, then aviation fuel is excluded from any additional
10 amount authorized under subsection (d-5). The rate in St.
11 Clair County shall be 0.25% unless the Metro-East Mass Transit
12 District in St. Clair County has an "airport-related purpose"
13 and the additional 0.50% of the 0.75% tax on aviation fuel is
14 expended for airport-related purposes. If there is no
15 airport-related purpose to which aviation fuel tax revenue is
16 dedicated, then aviation fuel is excluded from the additional
17 0.50% of the 0.75% tax.

18 The Board must comply with the certification requirements
19 for airport-related purposes under Section 2-22 of the
20 Retailers' Occupation Tax Act. For purposes of this Section,
21 "airport-related purposes" has the meaning ascribed in Section
22 6z-20.2 of the State Finance Act. This exclusion for aviation
23 fuel only applies for so long as the revenue use requirements
24 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
25 District.

26 The tax imposed under this paragraph and all civil

1 penalties that may be assessed as an incident thereof shall be
2 collected and enforced by the State Department of Revenue. The
3 Department shall have full power to administer and enforce
4 this paragraph; to collect all taxes and penalties due
5 hereunder; to dispose of taxes and penalties so collected in
6 the manner hereinafter provided; and to determine all rights
7 to credit memoranda arising on account of the erroneous
8 payment of tax or penalty hereunder. In the administration of,
9 and compliance with this paragraph, the Department and persons
10 who are subject to this paragraph shall have the same rights,
11 remedies, privileges, immunities, powers and duties, and be
12 subject to the same conditions, restrictions, limitations,
13 penalties, exclusions, exemptions and definitions of terms and
14 employ the same modes of procedure as are prescribed in
15 Sections 1a-1, 2 (except that the reference to State in the
16 definition of supplier maintaining a place of business in this
17 State shall mean the Authority), 2a, 3 through 3-50 (in
18 respect to all provisions therein other than (i) the State
19 rate of tax; (ii) the exemption for food for human consumption
20 that is to be consumed off the premises where it is sold (other
21 than alcoholic beverages, food consisting of or infused with
22 adult use cannabis, soft drinks, candy, and food that has been
23 prepared for immediate consumption), which is taxed at the
24 rate as provided in this subsection; and (iii) the exemption
25 for food prepared for immediate consumption and transferred
26 incident to a sale of service subject to the service

1 occupation tax by an entity that is licensed under the
2 Hospital Licensing Act, the Nursing Home Care Act, the
3 Assisted Living and Shared Housing Act, the Specialized Mental
4 Health Rehabilitation Act of 2013, the ID/DD Community Care
5 Act, or the MC/DD Act, or the Child Care Act of 1969, or an
6 entity that holds a permit issued pursuant to the Life Care
7 Facilities Act, which is taxed at the rate as provided in this
8 subsection), 4 (except that the reference to the State shall
9 be to the Authority), 5, 7, 8 (except that the jurisdiction to
10 which the tax shall be a debt to the extent indicated in that
11 Section 8 shall be the District), 9 (except as to the
12 disposition of taxes and penalties collected, and except that
13 the returned merchandise credit for this tax may not be taken
14 against any State tax, and except that the retailer's discount
15 is not allowed for taxes paid on aviation fuel that are subject
16 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
17 U.S.C. 47133), 10, 11, 12 (except the reference therein to
18 Section 2b of the Retailers' Occupation Tax Act), 13 (except
19 that any reference to the State shall mean the District), the
20 first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
21 Service Occupation Tax Act and Section 3-7 of the Uniform
22 Penalty and Interest Act, as fully as if those provisions were
23 set forth herein.

24 Persons subject to any tax imposed under the authority
25 granted in this paragraph may reimburse themselves for their
26 serviceman's tax liability hereunder by separately stating the

1 tax as an additional charge, which charge may be stated in
2 combination, in a single amount, with State tax that
3 servicemen are authorized to collect under the Service Use Tax
4 Act, in accordance with such bracket schedules as the
5 Department may prescribe.

6 Whenever the Department determines that a refund should be
7 made under this paragraph to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the warrant to be drawn for the
10 amount specified, and to the person named, in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of the Metro East Mass Transit District tax fund
13 established under paragraph (h) of this Section or the Local
14 Government Aviation Trust Fund, as appropriate.

15 Nothing in this paragraph shall be construed to authorize
16 the District to impose a tax upon the privilege of engaging in
17 any business which under the Constitution of the United States
18 may not be made the subject of taxation by the State.

19 (d) If a tax has been imposed under subsection (b), a Metro
20 East Mass Transit District Use Tax shall also be imposed upon
21 the privilege of using, in the district, any item of tangible
22 personal property that is purchased outside the district at
23 retail from a retailer, and that is titled or registered with
24 an agency of this State's government, at a rate of 1/4%, or as
25 authorized under subsection (d-5) of this Section, of the
26 selling price of the tangible personal property within the

1 District, as "selling price" is defined in the Use Tax Act. The
2 tax shall be collected from persons whose Illinois address for
3 titling or registration purposes is given as being in the
4 District. The tax shall be collected by the Department of
5 Revenue for the Metro East Mass Transit District. The tax must
6 be paid to the State, or an exemption determination must be
7 obtained from the Department of Revenue, before the title or
8 certificate of registration for the property may be issued.
9 The tax or proof of exemption may be transmitted to the
10 Department by way of the State agency with which, or the State
11 officer with whom, the tangible personal property must be
12 titled or registered if the Department and the State agency or
13 State officer determine that this procedure will expedite the
14 processing of applications for title or registration.

15 The Department shall have full power to administer and
16 enforce this paragraph; to collect all taxes, penalties and
17 interest due hereunder; to dispose of taxes, penalties and
18 interest so collected in the manner hereinafter provided; and
19 to determine all rights to credit memoranda or refunds arising
20 on account of the erroneous payment of tax, penalty or
21 interest hereunder. In the administration of, and compliance
22 with, this paragraph, the Department and persons who are
23 subject to this paragraph shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions and definitions of terms and

1 employ the same modes of procedure, as are prescribed in
2 Sections 2 (except the definition of "retailer maintaining a
3 place of business in this State"), 3 through 3-80 (except
4 provisions pertaining to the State rate of tax, and except
5 provisions concerning collection or refunding of the tax by
6 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
7 pertaining to claims by retailers and except the last
8 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
9 and Section 3-7 of the Uniform Penalty and Interest Act, that
10 are not inconsistent with this paragraph, as fully as if those
11 provisions were set forth herein.

12 Whenever the Department determines that a refund should be
13 made under this paragraph to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the order to be drawn for the
16 amount specified, and to the person named, in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the Metro East Mass Transit District tax fund
19 established under paragraph (h) of this Section.

20 (d-1) If, on January 1, 2025, a unit of local government
21 has in effect a tax under subsections (b), (c), and (d) or if,
22 after January 1, 2025, a unit of local government imposes a tax
23 under subsections (b), (c), and (d), then that tax applies to
24 leases of tangible personal property in effect, entered into,
25 or renewed on or after that date in the same manner as the tax
26 under this Section and in accordance with the changes made by

1 this amendatory Act of the 103rd General Assembly.

2 (d-5) (A) The county board of any county participating in
3 the Metro East Mass Transit District may authorize, by
4 ordinance, a referendum on the question of whether the tax
5 rates for the Metro East Mass Transit District Retailers'
6 Occupation Tax, the Metro East Mass Transit District Service
7 Occupation Tax, and the Metro East Mass Transit District Use
8 Tax for the District should be increased from 0.25% to 0.75%.
9 Upon adopting the ordinance, the county board shall certify
10 the proposition to the proper election officials who shall
11 submit the proposition to the voters of the District at the
12 next election, in accordance with the general election law.

13 The proposition shall be in substantially the following
14 form:

15 Shall the tax rates for the Metro East Mass Transit
16 District Retailers' Occupation Tax, the Metro East Mass
17 Transit District Service Occupation Tax, and the Metro
18 East Mass Transit District Use Tax be increased from 0.25%
19 to 0.75%?

20 (B) Two thousand five hundred electors of any Metro East
21 Mass Transit District may petition the Chief Judge of the
22 Circuit Court, or any judge of that Circuit designated by the
23 Chief Judge, in which that District is located to cause to be
24 submitted to a vote of the electors the question whether the
25 tax rates for the Metro East Mass Transit District Retailers'
26 Occupation Tax, the Metro East Mass Transit District Service

1 Occupation Tax, and the Metro East Mass Transit District Use
2 Tax for the District should be increased from 0.25% to 0.75%.

3 Upon submission of such petition the court shall set a
4 date not less than 10 nor more than 30 days thereafter for a
5 hearing on the sufficiency thereof. Notice of the filing of
6 such petition and of such date shall be given in writing to the
7 District and the County Clerk at least 7 days before the date
8 of such hearing.

9 If such petition is found sufficient, the court shall
10 enter an order to submit that proposition at the next
11 election, in accordance with general election law.

12 The form of the petition shall be in substantially the
13 following form: To the Circuit Court of the County of (name of
14 county):

15 We, the undersigned electors of the (name of transit
16 district), respectfully petition your honor to submit to a
17 vote of the electors of (name of transit district) the
18 following proposition:

19 Shall the tax rates for the Metro East Mass Transit
20 District Retailers' Occupation Tax, the Metro East Mass
21 Transit District Service Occupation Tax, and the Metro
22 East Mass Transit District Use Tax be increased from 0.25%
23 to 0.75%?

24 Name Address, with Street and Number.

25

26

1 (C) The votes shall be recorded as "YES" or "NO". If a
2 majority of all votes cast on the proposition are for the
3 increase in the tax rates, the Metro East Mass Transit
4 District shall begin imposing the increased rates in the
5 District, and the Department of Revenue shall begin collecting
6 the increased amounts, as provided under this Section. An
7 ordinance imposing or discontinuing a tax hereunder or
8 effecting a change in the rate thereof shall be adopted and a
9 certified copy thereof filed with the Department on or before
10 the first day of October, whereupon the Department shall
11 proceed to administer and enforce this Section as of the first
12 day of January next following the adoption and filing, or on or
13 before the first day of April, whereupon the Department shall
14 proceed to administer and enforce this Section as of the first
15 day of July next following the adoption and filing.

16 (D) If the voters have approved a referendum under this
17 subsection, before November 1, 1994, to increase the tax rate
18 under this subsection, the Metro East Mass Transit District
19 Board of Trustees may adopt by a majority vote an ordinance at
20 any time before January 1, 1995 that excludes from the rate
21 increase tangible personal property that is titled or
22 registered with an agency of this State's government. The
23 ordinance excluding titled or registered tangible personal
24 property from the rate increase must be filed with the
25 Department at least 15 days before its effective date. At any
26 time after adopting an ordinance excluding from the rate

1 increase tangible personal property that is titled or
2 registered with an agency of this State's government, the
3 Metro East Mass Transit District Board of Trustees may adopt
4 an ordinance applying the rate increase to that tangible
5 personal property. The ordinance shall be adopted, and a
6 certified copy of that ordinance shall be filed with the
7 Department, on or before October 1, whereupon the Department
8 shall proceed to administer and enforce the rate increase
9 against tangible personal property titled or registered with
10 an agency of this State's government as of the following
11 January 1. After December 31, 1995, any reimposed rate
12 increase in effect under this subsection shall no longer apply
13 to tangible personal property titled or registered with an
14 agency of this State's government. Beginning January 1, 1996,
15 the Board of Trustees of any Metro East Mass Transit District
16 may never reimpose a previously excluded tax rate increase on
17 tangible personal property titled or registered with an agency
18 of this State's government. After July 1, 2004, if the voters
19 have approved a referendum under this subsection to increase
20 the tax rate under this subsection, the Metro East Mass
21 Transit District Board of Trustees may adopt by a majority
22 vote an ordinance that excludes from the rate increase
23 tangible personal property that is titled or registered with
24 an agency of this State's government. The ordinance excluding
25 titled or registered tangible personal property from the rate
26 increase shall be adopted, and a certified copy of that

1 ordinance shall be filed with the Department on or before
2 October 1, whereupon the Department shall administer and
3 enforce this exclusion from the rate increase as of the
4 following January 1, or on or before April 1, whereupon the
5 Department shall administer and enforce this exclusion from
6 the rate increase as of the following July 1. The Board of
7 Trustees of any Metro East Mass Transit District may never
8 reimpose a previously excluded tax rate increase on tangible
9 personal property titled or registered with an agency of this
10 State's government.

11 (d-6) If the Board of Trustees of any Metro East Mass
12 Transit District has imposed a rate increase under subsection
13 (d-5) and filed an ordinance with the Department of Revenue
14 excluding titled property from the higher rate, then that
15 Board may, by ordinance adopted with the concurrence of
16 two-thirds of the then trustees, impose throughout the
17 District a fee. The fee on the excluded property shall not
18 exceed \$20 per retail transaction or an amount equal to the
19 amount of tax excluded, whichever is less, on tangible
20 personal property that is titled or registered with an agency
21 of this State's government. Beginning July 1, 2004, the fee
22 shall apply only to titled property that is subject to either
23 the Metro East Mass Transit District Retailers' Occupation Tax
24 or the Metro East Mass Transit District Service Occupation
25 Tax. No fee shall be imposed or collected under this
26 subsection on the sale of a motor vehicle in this State to a

1 resident of another state if that motor vehicle will not be
2 titled in this State.

3 (d-7) Until June 30, 2004, if a fee has been imposed under
4 subsection (d-6), a fee shall also be imposed upon the
5 privilege of using, in the district, any item of tangible
6 personal property that is titled or registered with any agency
7 of this State's government, in an amount equal to the amount of
8 the fee imposed under subsection (d-6).

9 (d-7.1) Beginning July 1, 2004, any fee imposed by the
10 Board of Trustees of any Metro East Mass Transit District
11 under subsection (d-6) and all civil penalties that may be
12 assessed as an incident of the fees shall be collected and
13 enforced by the State Department of Revenue. Reference to
14 "taxes" in this Section shall be construed to apply to the
15 administration, payment, and remittance of all fees under this
16 Section. For purposes of any fee imposed under subsection
17 (d-6), 4% of the fee, penalty, and interest received by the
18 Department in the first 12 months that the fee is collected and
19 enforced by the Department and 2% of the fee, penalty, and
20 interest following the first 12 months (except the amount
21 collected on aviation fuel sold on or after December 1, 2019)
22 shall be deposited into the Tax Compliance and Administration
23 Fund and shall be used by the Department, subject to
24 appropriation, to cover the costs of the Department. No
25 retailers' discount shall apply to any fee imposed under
26 subsection (d-6).

1 (d-8) No item of titled property shall be subject to both
2 the higher rate approved by referendum, as authorized under
3 subsection (d-5), and any fee imposed under subsection (d-6)
4 or (d-7).

5 (d-9) (Blank).

6 (d-10) (Blank).

7 (e) A certificate of registration issued by the State
8 Department of Revenue to a retailer under the Retailers'
9 Occupation Tax Act or under the Service Occupation Tax Act
10 shall permit the registrant to engage in a business that is
11 taxed under the tax imposed under paragraphs (b), (c) or (d) of
12 this Section and no additional registration shall be required
13 under the tax. A certificate issued under the Use Tax Act or
14 the Service Use Tax Act shall be applicable with regard to any
15 tax imposed under paragraph (c) of this Section.

16 (f) (Blank).

17 (g) Any ordinance imposing or discontinuing any tax under
18 this Section shall be adopted and a certified copy thereof
19 filed with the Department on or before June 1, whereupon the
20 Department of Revenue shall proceed to administer and enforce
21 this Section on behalf of the Metro East Mass Transit District
22 as of September 1 next following such adoption and filing.
23 Beginning January 1, 1992, an ordinance or resolution imposing
24 or discontinuing the tax hereunder shall be adopted and a
25 certified copy thereof filed with the Department on or before
26 the first day of July, whereupon the Department shall proceed

1 to administer and enforce this Section as of the first day of
2 October next following such adoption and filing. Beginning
3 January 1, 1993, except as provided in subsection (d-5) of
4 this Section, an ordinance or resolution imposing or
5 discontinuing the tax hereunder shall be adopted and a
6 certified copy thereof filed with the Department on or before
7 the first day of October, whereupon the Department shall
8 proceed to administer and enforce this Section as of the first
9 day of January next following such adoption and filing, or,
10 beginning January 1, 2004, on or before the first day of April,
11 whereupon the Department shall proceed to administer and
12 enforce this Section as of the first day of July next following
13 the adoption and filing.

14 (h) Except as provided in subsection (d-7.1), the State
15 Department of Revenue shall, upon collecting any taxes as
16 provided in this Section, pay the taxes over to the State
17 Treasurer as trustee for the District. The taxes shall be held
18 in a trust fund outside the State treasury. If an
19 airport-related purpose has been certified, taxes and
20 penalties collected in St. Clair County on aviation fuel sold
21 on or after December 1, 2019 from the 0.50% of the 0.75% rate
22 shall be immediately paid over by the Department to the State
23 Treasurer, ex officio, as trustee, for deposit into the Local
24 Government Aviation Trust Fund. The Department shall only pay
25 moneys into the Local Government Aviation Trust Fund under
26 this Act for so long as the revenue use requirements of 49

1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
2 District.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2011, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Innovation Development and Economy Act, collected under
9 this Section during the second preceding calendar month for
10 sales within a STAR bond district. The Department shall make
11 this certification only if the local mass transit district
12 imposes a tax on real property as provided in the definition of
13 "local sales taxes" under the Innovation Development and
14 Economy Act.

15 As soon as possible after the first day of each month,
16 beginning July 1, 2026, upon certification of the Department
17 of Revenue, the Comptroller shall order transferred, and the
18 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
19 local sales tax increment, as defined in the Statewide
20 Innovation Development and Economy Act, collected under this
21 Section during the second preceding calendar month for sales
22 within a STAR bond district. The Department shall make this
23 certification only if the local mass transit district imposes
24 a tax on real property as provided in the definition of "local
25 sales taxes" under the Statewide Innovation Development and
26 Economy Act.

1 After the monthly transfers ~~transfer~~ to the STAR Bonds
2 Revenue Fund, on or before the 25th day of each calendar month,
3 the State Department of Revenue shall prepare and certify to
4 the Comptroller of the State of Illinois the amount to be paid
5 to the District, which shall be the amount (not including
6 credit memoranda and not including taxes and penalties
7 collected on aviation fuel sold on or after December 1, 2019
8 that are deposited into the Local Government Aviation Trust
9 Fund) collected under this Section during the second preceding
10 calendar month by the Department plus an amount the Department
11 determines is necessary to offset any amounts that were
12 erroneously paid to a different taxing body, and not including
13 any amount equal to the amount of refunds made during the
14 second preceding calendar month by the Department on behalf of
15 the District, and not including any amount that the Department
16 determines is necessary to offset any amounts that were
17 payable to a different taxing body but were erroneously paid
18 to the District, and less any amounts that are transferred to
19 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which
20 the Department shall transfer into the Tax Compliance and
21 Administration Fund. The Department, at the time of each
22 monthly disbursement to the District, shall prepare and
23 certify to the State Comptroller the amount to be transferred
24 into the Tax Compliance and Administration Fund under this
25 subsection. Within 10 days after receipt by the Comptroller of
26 the certification of the amount to be paid to the District and

1 the Tax Compliance and Administration Fund, the Comptroller
2 shall cause an order to be drawn for payment for the amount in
3 accordance with the direction in the certification.

4 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

5 ARTICLE 110

6 Section 110-5. The Tobacco Products Tax Act of 1995 is
7 amended by changing Sections 10-5, 10-10, 10-25, 10-30, 10-35,
8 10-37, 10-38, 10-45, and 10-50 and by adding Section 10-24 as
9 follows:

10 (35 ILCS 143/10-5)

11 Sec. 10-5. Definitions. For purposes of this Act:

12 "Actual cost" means the actual price paid for each
13 individual SKU by a distributor or a remote retail seller
14 before any stated discounts or rebates.

15 "Actual cost list" means the average actual price paid for
16 a SKU by a distributor or a remote retail seller, before any
17 stated discounts or rebates, to a manufacturer, wholesaler, or
18 distributor during the calendar year immediately preceding the
19 calendar year in which the sale occurs.

20 "Alternative nicotine product" means a product that does
21 not consist of or contain tobacco and that provides for the
22 ingestion into the body of nicotine, whether by chewing,
23 smoking, absorbing, dissolving, snorting, or sniffing.

1 "Alternative nicotine product" does not include electronic
2 cigarettes, as defined in this Act, or any product that is
3 approved by the United States Food and Drug Administration for
4 sale as a tobacco cessation product, as a tobacco dependence
5 product, or for other medical purposes and that is being
6 marketed and sold solely for that approved purpose.

7 "Business" means any trade, occupation, activity, or
8 enterprise engaged in, at any location whatsoever, for the
9 purpose of selling tobacco products.

10 "Cigar" means any roll of tobacco wrapped in leaf tobacco
11 or in any substance containing tobacco. "Cigar" does not
12 include a little cigar or any roll of tobacco that is
13 classified as a cigarette within the meaning of Section 1 of
14 the Cigarette Tax Act.

15 "Cigarette" has the meaning ascribed to the term in
16 Section 1 of the Cigarette Tax Act.

17 "Contraband little cigar" means:

18 (1) packages of little cigars containing 20 or 25
19 little cigars that do not bear a required tax stamp under
20 this Act;

21 (2) packages of little cigars containing 20 or 25
22 little cigars that bear a fraudulent, imitation, or
23 counterfeit tax stamp;

24 (3) packages of little cigars containing 20 or 25
25 little cigars that are improperly tax stamped, including
26 packages of little cigars that bear only a tax stamp of

1 another state or taxing jurisdiction; or

2 (4) packages of little cigars containing other than 20
3 or 25 little cigars in the possession of a distributor,
4 retailer, or wholesaler, unless the distributor, retailer,
5 or wholesaler possesses, or produces within the time frame
6 provided in Section 10-27 or 10-28 of this Act, an invoice
7 from a stamping distributor, distributor, or wholesaler
8 showing that the tax on the packages has been or will be
9 paid.

10 "Consumer" means a person who acquires ownership of
11 tangible personal property, including tobacco products, for
12 use or consumption in this State and not for resale.

13 "Correctional Industries program" means a program run by a
14 State penal institution in which residents of the penal
15 institution produce tobacco products for sale to persons
16 incarcerated in penal institutions or resident patients of a
17 State-operated ~~State-operated~~ mental health facility.

18 "Department" means the Illinois Department of Revenue.

19 "Distributor" means any of the following:

20 (1) Any manufacturer or wholesaler in this State
21 engaged in the business of selling tobacco products who
22 sells, exchanges, or distributes tobacco products to
23 retailers or consumers in this State.

24 (2) Any manufacturer or wholesaler engaged in the
25 business of selling tobacco products from without this
26 State who sells, exchanges, distributes, ships, or

1 transports tobacco products to retailers or consumers
2 located in this State, so long as that manufacturer or
3 wholesaler has or maintains within this State, directly or
4 by subsidiary, an office, sales house, or other place of
5 business, or any agent or other representative operating
6 within this State under the authority of the person or
7 subsidiary, irrespective of whether the place of business
8 or agent or other representative is located here
9 permanently or temporarily.

10 (3) Any retailer who receives tobacco products on
11 which the tax has not been or will not be paid by another
12 distributor.

13 "Distributor" does not include any person, wherever
14 resident or located, who makes, manufactures, or fabricates
15 tobacco products as part of a Correctional Industries program
16 for sale to residents incarcerated in penal institutions or
17 resident patients of a State-operated ~~State-operated~~ mental
18 health facility.

19 "Electronic cigarette" means:

20 (1) any device that employs a battery or other
21 mechanism to heat a solution or substance to produce a
22 vapor or aerosol intended for inhalation, except for (A)
23 any device designed solely for use with cannabis that
24 contains a statement on the retail packaging that the
25 device is designed solely for use with cannabis and not
26 for use with tobacco or (B) any device that contains a

1 solution or substance that contains cannabis subject to
2 tax under the Compassionate Use of Medical Cannabis
3 Program Act or the Cannabis Regulation and Tax Act;

4 (2) any cartridge or container of a solution or
5 substance intended to be used with or in the device or to
6 refill the device, except for any cartridge or container
7 of a solution or substance that contains cannabis subject
8 to tax under the Compassionate Use of Medical Cannabis
9 Program Act or the Cannabis Regulation and Tax Act; or

10 (3) any solution or substance, whether or not it
11 contains nicotine, intended for use in the device, except
12 for any solution or substance that contains cannabis
13 subject to tax under the Compassionate Use of Medical
14 Cannabis Program Act or the Cannabis Regulation and Tax
15 Act.

16 The changes made to the definition of "electronic
17 cigarette" by this amendatory Act of the 102nd General
18 Assembly apply on and after June 28, 2019, but no claim for
19 credit or refund is allowed on or after the effective date of
20 this amendatory Act of the 102nd General Assembly for such
21 taxes paid during the period beginning June 28, 2019 and the
22 effective date of this amendatory Act of the 102nd General
23 Assembly.

24 "Electronic cigarette" includes, but is not limited to,
25 any electronic nicotine delivery system, electronic cigar,
26 electronic cigarillo, electronic pipe, electronic hookah, vape

1 pen, or similar product or device, and any component or part
2 that can be used to build the product or device. "Electronic
3 cigarette" does not include: cigarettes, as defined in Section
4 1 of the Cigarette Tax Act; any product approved by the United
5 States Food and Drug Administration for sale as a tobacco
6 cessation product, a tobacco dependence product, or for other
7 medical purposes that is marketed and sold solely for that
8 approved purpose; any asthma inhaler prescribed by a physician
9 for that condition that is marketed and sold solely for that
10 approved purpose; or any therapeutic product approved for use
11 under the Compassionate Use of Medical Cannabis Program Act.

12 "Little cigar" means and includes any roll, made wholly or
13 in part of tobacco, where such roll has an integrated
14 cellulose acetate filter and weighs less than 4 pounds per
15 thousand and the wrapper or cover of which is made in whole or
16 in part of tobacco.

17 "Manufacturer" means any person, wherever resident or
18 located, who manufactures and sells tobacco products, except a
19 person who makes, manufactures, or fabricates tobacco products
20 as a part of a Correctional Industries program for sale to
21 persons incarcerated in penal institutions or resident
22 patients of a State-operated ~~State-operated~~ mental health
23 facility.

24 Beginning on January 1, 2013, "moist snuff" means any
25 finely cut, ground, or powdered tobacco that is not intended
26 to be smoked, but shall not include any finely cut, ground, or

1 powdered tobacco that is intended to be placed in the nasal
2 cavity.

3 "Nicotine" means any form of the chemical nicotine,
4 including any salt or complex, regardless of whether the
5 chemical is naturally or synthetically derived, and includes
6 nicotinic alkaloids and nicotine analogs.

7 "Person" means any natural individual, firm, partnership,
8 association, joint stock company, joint venture, limited
9 liability company, or public or private corporation, however
10 formed, or a receiver, executor, administrator, trustee,
11 conservator, or other representative appointed by order of any
12 court.

13 "Pipe tobacco" means any tobacco that, because of its
14 appearance, type, packaging, or labeling, is suitable for use
15 in a pipe and is likely to be offered to or purchased by a
16 consumer as tobacco to be smoked in a pipe.

17 "Place of business" means and includes any place where
18 tobacco products are sold or where tobacco products are
19 manufactured, stored, or kept for the purpose of sale or
20 consumption, including any vessel, vehicle, airplane, train,
21 or vending machine.

22 "Prior continuous compliance taxpayer" means any person
23 who is licensed under this Act and who, having been a licensee
24 for a continuous period of 2 years, is determined by the
25 Department not to have been either delinquent or deficient in
26 the payment of tax liability during that period or otherwise

1 in violation of this Act. "Prior continuous compliance
2 taxpayer" also means any taxpayer who has, as verified by the
3 Department, continuously complied with the condition of his
4 bond or other security under provisions of this Act for a
5 period of 2 consecutive years. In calculating the consecutive
6 period of time described in this definition for qualification
7 as a prior continuous compliance taxpayer, a consecutive
8 period of time of qualifying compliance immediately prior to
9 the effective date of this amendatory Act of the 103rd General
10 Assembly shall be credited to any licensee who became licensed
11 on or before the effective date of this amendatory Act of the
12 103rd General Assembly. A distributor that is a prior
13 continuous compliance taxpayer and becomes a successor to a
14 distributor as the result of an acquisition, merger, or
15 consolidation of that distributor shall be deemed to be a
16 prior continuous compliance taxpayer with respect to the
17 acquired, merged, or consolidated entity.

18 "Remote retail sale" means a sale by a remote retail
19 seller of cigars, pipe tobacco, or alternative nicotine
20 products to a consumer in this State when:

21 (1) the buyer submits the order for the sale by means
22 of a telephone or other method of voice transmission, by
23 first-class mail, or by using the Internet or other online
24 service, or if the seller is otherwise not in the physical
25 presence of the buyer when the request for purchase or
26 order is made; or

1 (2) the cigars, pipe tobacco, or alternative nicotine
2 products are delivered to the buyer by common carrier,
3 private delivery service, or other method of remote
4 delivery, or the seller is not in the physical presence of
5 the buyer when the buyer obtains possession of the cigars,
6 pipe tobacco, or alternative nicotine products.

7 "Remote retail seller" means a person located outside of
8 this State who makes remote retail sales of cigars, pipe
9 tobacco, or alternative nicotine products, so long as that
10 person does not maintain within this State, directly or by a
11 subsidiary, an office, distribution house, sales house,
12 warehouse, or other place of business, or any agent or other
13 representative operating within this State under the authority
14 of the person or its subsidiary, irrespective of whether the
15 place of business or the agent is located here permanently or
16 temporarily or whether the person or subsidiary is licensed to
17 do business in this State.

18 "Retailer" means any person in this State engaged in the
19 business of selling tobacco products to consumers in this
20 State, regardless of quantity or number of sales.

21 "Sale" means any transfer, exchange, or barter in any
22 manner or by any means whatsoever for a consideration and
23 includes all sales made by persons.

24 "Stamp" or "stamps" mean the indicia required to be
25 affixed on a package of little cigars that evidence payment of
26 the tax on packages of little cigars containing 20 or 25 little

1 cigars under Section 10-10 of this Act. These stamps shall be
2 the same stamps used for cigarettes under the Cigarette Tax
3 Act.

4 "Stamping distributor" means a distributor licensed under
5 this Act and also licensed as a distributor under the
6 Cigarette Tax Act or Cigarette Use Tax Act.

7 "Stock-keeping unit" or "SKU" means the unique identifier
8 assigned by a manufacturer, distributor, or remote retail
9 seller to various tobacco products in order to track
10 inventory.

11 "Tobacco products" means any product that is made from or
12 derived from tobacco that is intended for human consumption or
13 is likely to be consumed, including but not limited to cigars,
14 including little cigars; cheroots; stogies; periques;
15 granulated, plug cut, crimp cut, ready rubbed, and other
16 smoking tobacco; snuff (including moist snuff) and snuff
17 flour; cavendish; plug and twist tobacco; fine-cut and other
18 chewing tobaccos; shorts; refuse scraps, clippings, cuttings,
19 and sweepings ~~sweeping~~ of tobacco; snus; shisha and tobacco
20 for use in waterpipes; and other kinds and forms of tobacco,
21 prepared in such manner as to be suitable for chewing or
22 smoking in a pipe or otherwise, or both for chewing and smoking
23 or for inhalation, absorption, or ingesting by any other
24 means; but does not include cigarettes as defined in Section 1
25 of the Cigarette Tax Act or tobacco purchased for the
26 manufacture of cigarettes by cigarette distributors and

1 manufacturers defined in the Cigarette Tax Act and persons who
2 make, manufacture, or fabricate cigarettes as a part of a
3 Correctional Industries program for sale to residents
4 incarcerated in penal institutions or resident patients of a
5 State-operated ~~State-operated~~ mental health facility.

6 Beginning on July 1, 2019, "tobacco products" also
7 includes electronic cigarettes.

8 Beginning July 1, 2025, "tobacco products" also includes
9 any product that is made from or derived from tobacco, or that
10 contains nicotine whether natural or synthetic, that is
11 intended for human consumption or is likely to be consumed,
12 including but not limited to nicotine pouches, lozenges, and
13 gum; and other kinds and forms of nicotine prepared in such
14 manner as to be suitable for chewing or smoking in a pipe or
15 otherwise, or both for chewing and smoking or for inhalation,
16 absorption, or ingesting by any other means.

17 "Tobacco products" does not include any product that has
18 been approved by the United States Food and Drug
19 Administration for sale as a tobacco or smoking cessation
20 product, a nicotine replacement therapy product, or for other
21 medical purposes where that product is marketed and sold
22 solely for such approved use, including but not limited to
23 spray or inhaler prescribed by a physician, chewing gum, skin
24 patches, or lozenges.

25 "Wholesale price" means the established list price for
26 which a manufacturer sells tobacco products to a distributor,

1 before the allowance of any discount, trade allowance, rebate,
2 or other reduction. In the absence of such an established list
3 price, the manufacturer's invoice price at which the
4 manufacturer sells the tobacco product to unaffiliated
5 distributors, before any discounts, trade allowances, rebates,
6 or other reductions, shall be presumed to be the wholesale
7 price.

8 "Wholesaler" means any person, wherever resident or
9 located, engaged in the business of selling tobacco products
10 to others for the purpose of resale. "Wholesaler", when used
11 in this Act, does not include a person licensed as a
12 distributor under Section 10-20 of this Act unless expressly
13 stated in this Act.

14 (Source: P.A. 103-1001, eff. 8-9-24; 104-6, eff. 7-1-25.)

15 (35 ILCS 143/10-10)

16 Sec. 10-10. Tax imposed.

17 (a) Except as otherwise provided in this Section with
18 respect to little cigars, on the first day of the third month
19 after the month in which this Act becomes law, a tax is imposed
20 on any person engaged in business as a distributor of tobacco
21 products, as defined in Section 10-5, at the rate of:

22 (1) ~~(i)~~ 18% of the wholesale price of tobacco products
23 sold or otherwise disposed of to retailers or consumers
24 located in this State prior to July 1, 2012;

25 (2) ~~(ii)~~ 36% of the wholesale price of tobacco

1 products sold or otherwise disposed of to retailers or
2 consumers located in this State beginning on July 1, 2012
3 and through June 30, 2025; except that, beginning on
4 January 1, 2013 and through June 30, 2025, the tax on moist
5 snuff shall be imposed at a rate of \$0.30 per ounce, and a
6 proportionate tax at the like rate on all fractional parts
7 of an ounce, sold or otherwise disposed of to retailers or
8 consumers located in this State; and except that,
9 beginning July 1, 2019 and through June 30, 2025, the tax
10 on electronic cigarettes shall be imposed at the rate of
11 15% of the wholesale price of electronic cigarettes sold
12 or otherwise disposed of to retailers or consumers located
13 in this State; and

14 (3) ~~(iii)~~ 45% of the wholesale price of tobacco
15 products, including moist snuff and electronic cigarettes,
16 sold or otherwise disposed of to retailers or consumers
17 located in this State on and after July 1, 2025 and through
18 December 31, 2026; and-

19 (4) beginning on January 1, 2027, 45% of:

20 (A) the actual cost paid by a distributor or
21 remote retail seller for the tobacco product sold or
22 otherwise disposed of to a retailer or consumer in the
23 State; or

24 (B) if documentation of the actual cost paid by a
25 distributor or remote retail seller is not available
26 due to matters beyond the distributor or remote retail

1 seller's control, the actual cost list paid by a
2 distributor or remote retail seller for the tobacco
3 product sold or otherwise disposed of to retailers or
4 consumers located in this State for which
5 documentation is not available.

6 The tax imposed under this subsection (a) is in addition
7 to all other occupation or privilege taxes imposed by the
8 State of Illinois, by any political subdivision thereof, or by
9 any municipal corporation. However, the tax is not imposed
10 upon any activity in that business in interstate commerce or
11 otherwise, to the extent to which that activity may not, under
12 the Constitution and Statutes of the United States, be made
13 the subject of taxation by this State, and except that,
14 beginning July 1, 2013, the tax on little cigars shall be
15 imposed at the same rate, and the proceeds shall be
16 distributed in the same manner, as the tax imposed on
17 cigarettes under the Cigarette Tax Act. The tax is also not
18 imposed on sales made to the United States or any entity
19 thereof.

20 If the Department determines that the actual cost list for
21 a tobacco product is not indicative of the actual cost paid for
22 the tobacco product, then the Department may determine the
23 distributor's or remote retail seller's tax liability for the
24 tobacco product based on the distributor's or remote retail
25 seller's books and records or from information on invoices
26 obtained from the distributor's or remote retail seller's

1 suppliers.

2 (a-5) Beginning January 1, 2027, the tax imposed under
3 subsection (a) is also imposed upon persons who are engaged in
4 business as remote retail sellers of cigars, pipe tobacco, or
5 alternative nicotine products and who make sales to Illinois
6 consumers on which the tax has not been paid by a distributor,
7 if the cumulative gross receipts of the remote retail seller
8 from sales of tangible personal property to consumers in this
9 State are \$100,000 or more.

10 A remote retail seller that meets or exceeds the threshold
11 in this subsection shall be liable for taxes imposed by this
12 Act on all sales made by that remote retail seller of taxable
13 products under this Act to Illinois consumers on which the tax
14 has not been paid by a distributor.

15 The remote retail seller shall determine on a quarterly
16 basis, ending on the last day of March, June, September, and
17 December, whether it meets the threshold of this subsection
18 for the preceding 12-month period. If the remote retail seller
19 meets the threshold for a 12-month period, then the remote
20 retail seller is considered to be engaged in business as a
21 remote retail seller in this State and is required to collect
22 and remit the tax imposed under this Act and to file all
23 applicable returns for the next 12-month period. At the end of
24 that 12-month period, the remote retail seller shall determine
25 whether the remote retail seller met the threshold for the
26 preceding 12-month period. If the remote retail seller met the

1 threshold for the preceding 12-month period, the remote retail
2 seller is considered to be engaged in business as a remote
3 retail seller in this State and is required to collect and
4 remit the tax imposed under this Act and file returns for the
5 subsequent year. If, at the end of a one-year period, a remote
6 retail seller that was required to collect and remit the tax
7 imposed under this Act determines that the remote retail
8 seller did not meet the threshold during the preceding
9 12-month period, then the remote retail seller shall certify
10 to the Department, in the form and manner required by the
11 Department, that the remote retail seller did not meet the
12 threshold during the preceding 12-month period and shall
13 subsequently determine on a quarterly basis, ending on the
14 last day of March, June, September, and December, whether the
15 remote retail seller meets the threshold for the preceding
16 12-month period.

17 (b) Notwithstanding subsection (a) of this Section,
18 stamping distributors of packages of little cigars containing
19 20 or 25 little cigars sold or otherwise disposed of in this
20 State shall remit the tax by purchasing tax stamps from the
21 Department and affixing them to packages of little cigars in
22 the same manner as stamps are purchased and affixed to
23 cigarettes under the Cigarette Tax Act, unless the stamping
24 distributor sells or otherwise disposes of those packages of
25 little cigars to another stamping distributor. Only persons
26 meeting the definition of "stamping distributor" contained in

1 Section 10-5 of this Act may affix stamps to packages of little
2 cigars containing 20 or 25 little cigars. Stamping
3 distributors may not sell or dispose of little cigars at
4 retail to consumers or users at locations where stamping
5 distributors affix stamps to packages of little cigars
6 containing 20 or 25 little cigars.

7 (c) The impact of the tax levied by this Act is imposed
8 upon distributors engaged in the business of selling tobacco
9 products to retailers or consumers in this State. Beginning
10 January 1, 2027, the impact of the tax levied by this Act is
11 also imposed upon remote retail sellers that meet the
12 threshold in subsection (a-5) of this Section. A remote retail
13 seller shall pay the tax on all sales of cigars, pipe tobacco,
14 and alternative nicotine products to consumers in this State
15 on which the tax has not been paid by a distributor. Whenever a
16 stamping distributor brings or causes to be brought into this
17 State from without this State, or purchases from without or
18 within this State, any packages of little cigars containing 20
19 or 25 little cigars upon which there are no tax stamps affixed
20 as required by this Act, for purposes of resale or disposal in
21 this State to a person not a stamping distributor, then such
22 stamping distributor shall pay the tax to the Department and
23 add the amount of the tax to the price of such packages sold by
24 such stamping distributor. Payment of the tax shall be
25 evidenced by a stamp or stamps affixed to each package of
26 little cigars containing 20 or 25 little cigars.

1 Stamping distributors paying the tax to the Department on
2 packages of little cigars containing 20 or 25 little cigars
3 sold to other distributors, wholesalers or retailers shall add
4 the amount of the tax to the price of the packages of little
5 cigars containing 20 or 25 little cigars sold by such stamping
6 distributors.

7 (d) Beginning on January 1, 2013, the tax rate imposed per
8 ounce of moist snuff may not exceed 15% of the tax imposed upon
9 a package of 20 cigarettes pursuant to the Cigarette Tax Act.

10 (d-5) Notwithstanding any other provision of this Section,
11 beginning January 1, 2027 and continuing through December 31,
12 2029, the tax per cigar sold or otherwise disposed of shall not
13 exceed \$0.75 per cigar. This subsection does not apply to
14 little cigars.

15 (e) All moneys received by the Department under this Act
16 from sales occurring prior to July 1, 2012 shall be paid into
17 the Long-Term Care Provider Fund of the State Treasury. Of the
18 moneys received by the Department from sales occurring on or
19 after July 1, 2012, except for moneys received from the tax
20 imposed on the sale of little cigars, 50% shall be paid into
21 the Long-Term Care Provider Fund and 50% shall be paid into the
22 Healthcare Provider Relief Fund. Beginning July 1, 2013, all
23 moneys received by the Department under this Act from the tax
24 imposed on little cigars shall be distributed as provided in
25 Section 2 of the Cigarette Tax Act. Of the moneys received by
26 the Department under this Act from sales occurring on or after

1 July 1, 2025, except for moneys received from the tax imposed
2 on the sale of little cigars, the first \$5,000,000 collected
3 in each fiscal year shall be paid into the Tobacco Settlement
4 Recovery Fund for tobacco health initiatives at the Department
5 of Public Health, and the remainder of the moneys collected in
6 each fiscal year shall be paid as follows: 50% shall be paid
7 into the Long-Term Care Provider Fund; and 50% shall be paid
8 into the Healthcare Provider Relief Fund.

9 (Source: P.A. 104-6, eff. 7-1-25.)

10 (35 ILCS 143/10-24 new)

11 Sec. 10-24. Remote retail seller's license. Beginning on
12 January 1, 2027, it is unlawful for any person who meets the
13 threshold established in subsection (a-5) of Section 10-10 to
14 engage in business as a remote retail seller within the
15 meaning of this Act without first having obtained a license to
16 do so from the Department. Application for that license shall
17 be made to the Department, by electronic means, in a form
18 prescribed by the Department. Each applicant for a license
19 shall furnish to the Department, in an electronic format
20 established by the Department, the following information:

21 (1) the name and address of the applicant;

22 (2) the address of the location at which the applicant
23 proposes to engage in business as a remote retail seller
24 outside this State; and

25 (3) such other additional information as the

1 Department may lawfully require by rule.

2 Beginning on January 1, 2027, in addition to obtaining a
3 license to engage in business as a remote retail seller in this
4 State, no remote retail seller who meets the threshold
5 established in subsection (a-5) of Section 10-10 may engage in
6 business as a remote retail seller within the meaning of this
7 Act without registering under the Retailers' Occupation Tax
8 Act pursuant to Section 2a of that Act.

9 A separate annual license shall be obtained for each place
10 of business at which a person who is required to procure a
11 remote retail seller's license under this Section proposes to
12 engage in business as a remote retail seller under this Act.
13 All licenses issued by the Department under this Section shall
14 be valid for a period not to exceed one year after issuance
15 unless sooner revoked, canceled, or suspended as provided in
16 this Act. All licenses must be renewed on an annual basis. An
17 application submitted by a remote retail seller shall include
18 an acknowledgement consenting to the jurisdiction of the
19 Department and the courts of this State concerning the
20 enforcement of this Act and any related laws, rules, and
21 regulations, including authorizing the Department of Revenue
22 to conduct inspections and audits for the purpose of ensuring
23 compliance with this Act and to issue penalties for violations
24 of this Act.

25 Each remote retail seller must perform age verification
26 through an independent, third-party age verification service

1 that compares information available from a commercially
2 available database, or aggregate of databases, that are
3 regularly used by government agencies and businesses for the
4 purpose of age and identity verification to the personal
5 information entered by the individual during the ordering
6 process that establishes that the individual is of age.

7 The following are ineligible to receive a remote retail
8 seller's license under this Act:

9 (1) a person who has been convicted of a felony under
10 any federal or State law for smuggling cigarettes or
11 tobacco products or tobacco tax evasion, if the
12 Department, after investigation and a hearing if requested
13 by the applicant, determines that such person has not been
14 sufficiently rehabilitated to warrant the public trust;

15 (2) a corporation, if any officer, manager or director
16 thereof, or any stockholder or stockholders owning in the
17 aggregate more than 5% of the stock of such corporation,
18 would not be eligible to receive a license under this Act
19 for any reason; or

20 (3) any person who is in default to the State of
21 Illinois for moneys due under this Act or any other tax Act
22 administered by the Department.

23 The Department, upon receipt of an application, in proper
24 form, from a person who is eligible to receive a remote retail
25 seller's license under this Act, shall issue to such applicant
26 a license in form as prescribed by the Department, which

1 license shall permit the applicant to which it is issued to
2 engage in business as a remote retail seller under this Act at
3 the place shown in the remote retail seller's application. No
4 license issued under this Section is transferable or
5 assignable. A person who obtains a license as a remote retail
6 seller who ceases to do business as specified in the license,
7 or who never commenced business, or whose license is suspended
8 or revoked, shall immediately surrender the license to the
9 Department.

10 The Department may, in its discretion, upon application,
11 authorize the payment of the tax imposed under Section 10-10
12 by any remote retail seller not otherwise subject to the tax
13 imposed under this Act who, to the satisfaction of the
14 Department, furnishes adequate security to ensure payment of
15 the tax. The remote retail seller shall be issued, without
16 charge, a license to remit the tax. When so authorized, it
17 shall be the duty of the remote retail seller to remit the tax
18 imposed upon the actual cost or actual cost list price of the
19 cigars, pipe tobacco, or alternative nicotine products sold or
20 otherwise disposed of to consumers located in this State, in
21 the same manner and subject to the same requirements as any
22 other remote retail seller required to be licensed under this
23 Act.

24 Any person aggrieved by any decision of the Department
25 under this Section may, within 30 days after notice of the
26 decision, protest and request a hearing. Upon receiving a

1 request for a hearing, the Department shall give notice to the
2 person requesting the hearing of the time and place fixed for
3 the hearing and shall hold a hearing in conformity with the
4 provisions of this Act and then issue its final administrative
5 decision in the matter to that person. In the absence of a
6 protest and request for a hearing within 30 days, the
7 Department's decision shall become final without any further
8 determination being made or notice given.

9 (35 ILCS 143/10-25)

10 Sec. 10-25. License actions.

11 (a) The Department may, after notice and a hearing,
12 revoke, cancel, or suspend the license of any distributor, ~~or~~
13 retailer, or remote retail seller who violates any of the
14 provisions of this Act, fails to keep books and records as
15 required under this Act, fails to make books and records
16 available for inspection upon demand by a duly authorized
17 employee of the Department, or violates a rule or regulation
18 of the Department for the administration and enforcement of
19 this Act. The notice shall specify the alleged violation or
20 violations upon which the revocation, cancellation, or
21 suspension proceeding is based.

22 (a-5) The Department may, after notice and a hearing,
23 revoke, cancel, or suspend the license of a distributor or
24 remote retail seller that fails to properly register and remit
25 tax under the Retailers' Occupation Tax Act for all tobacco

1 products that are sold to consumers in this State.

2 (a-10) The Department may, after notice and a hearing,
3 revoke, cancel, or suspend the license of a distributor or
4 remote retail seller who is found in violation of any law,
5 rule, or regulation of the state where the business is located
6 as listed on the license issued by the Department. The notice
7 shall specify the alleged violation or violations upon which
8 the revocation, cancellation, or suspension proceeding is
9 based.

10 (b) The Department may revoke, cancel, or suspend the
11 license of any distributor or remote retail seller for a
12 violation of the Tobacco Products Manufacturers' Escrow
13 Enforcement Act of 2003 as provided in Section 30 of that Act.

14 (c) If the retailer or remote retail seller has a training
15 program that facilitates compliance with minimum-age tobacco
16 laws, the Department shall suspend for 3 days the license of
17 that retailer or remote retail seller for a fourth or
18 subsequent violation of the Prevention of Tobacco Use by
19 Persons under 21 Years of Age and Sale and Distribution of
20 Tobacco Products Act, as provided in subsection (a) of Section
21 2 of that Act. For the purposes of this Section, any violation
22 of subsection (a) of Section 2 of the Prevention of Tobacco Use
23 by Persons under 21 Years of Age and Sale and Distribution of
24 Tobacco Products Act occurring at the retailer's or remote
25 retail seller's licensed location, during a 24-month period,
26 shall be counted as a violation against the retailer or remote

1 retail seller.

2 If the retailer or remote retail seller does not have a
3 training program that facilitates compliance with minimum-age
4 tobacco laws, the Department shall suspend for 3 days the
5 license of that retailer or remote retail seller for a second
6 violation of the Prevention of Tobacco Use by Persons under 21
7 Years of Age and Sale and Distribution of Tobacco Products
8 Act, as provided in subsection (a-5) of Section 2 of that Act.

9 If the retailer or remote retail seller does not have a
10 training program that facilitates compliance with minimum-age
11 tobacco laws, the Department shall suspend for 7 days the
12 license of that retailer or remote retail seller for a third
13 violation of the Prevention of Tobacco Use by Persons under 21
14 Years of Age and Sale and Distribution of Tobacco Products
15 Act, as provided in subsection (a-5) of Section 2 of that Act.

16 If the retailer or remote retail seller does not have a
17 training program that facilitates compliance with minimum-age
18 tobacco laws, the Department shall suspend for 30 days the
19 license of a retailer or remote retail seller for a fourth or
20 subsequent violation of the Prevention of Tobacco Use by
21 Persons under 21 Years of Age and Sale and Distribution of
22 Tobacco Products Act, as provided in subsection (a-5) of
23 Section 2 of that Act.

24 A training program that facilitates compliance with
25 minimum-age tobacco laws must include at least the following
26 elements: (i) it must explain that only individuals displaying

1 valid identification demonstrating that they are 21 years of
2 age or older shall be eligible to purchase cigarettes or
3 tobacco products and (ii) it must explain where a clerk can
4 check identification for a date of birth. The training may be
5 conducted electronically. Each retailer or remote retail
6 seller that has a training program shall require each employee
7 who completes the training program to sign a form attesting
8 that the employee has received and completed tobacco training.
9 The form shall be kept in the employee's file and may be used
10 to provide proof of training.

11 (d) The Department may, by application to any circuit
12 court, obtain an injunction restraining any person who engages
13 in business as a distributor or remote retail seller of
14 tobacco products without a license (either because his or her
15 license has been revoked, canceled, or suspended or because of
16 a failure to obtain a license in the first instance) from
17 engaging in that business until that person, as if that person
18 were a new applicant for a license, complies with all of the
19 conditions, restrictions, and requirements of Section 10-20 or
20 10-24 of this Act and qualifies for and obtains a license.
21 Refusal or neglect to obey the order of the court may result in
22 punishment for contempt.

23 (Source: P.A. 104-6, eff. 6-16-25.)

24 (35 ILCS 143/10-30)

25 Sec. 10-30. Returns.

1 (a) Every distributor shall, on or before the 15th day of
2 each month, file a return with the Department covering the
3 preceding calendar month. Through June 30, 2025, the return
4 shall disclose the wholesale price for all tobacco products
5 other than moist snuff and the quantity in ounces of moist
6 snuff sold or otherwise disposed of and other information that
7 the Department may reasonably require. Beginning July 1, 2025
8 and through December 1, 2026, the return shall disclose the
9 wholesale price for all tobacco products, including moist
10 snuff, sold or otherwise disposed of and other information
11 that the Department may reasonably require. Beginning January
12 1, 2027, the return shall disclose the actual cost or actual
13 cost list price for all tobacco products, other than little
14 cigars, sold or otherwise disposed of and other information
15 that the Department may reasonably require. Information that
16 the Department may reasonably require includes information
17 related to the uniform regulation and taxation of tobacco
18 products.

19 (a-5) Beginning February 1, 2027, every remote retail
20 seller shall, on or before the 15th day of each month, file a
21 return with the Department covering the preceding calendar
22 month. The remote retail seller's return must report all
23 cigars, pipe tobacco, or alternative nicotine products brought
24 in or caused to be brought in from outside the State or shipped
25 or transported to consumers within the State during the
26 preceding calendar month. The return must include further

1 information as the Department may prescribe and must show the
2 total actual cost or actual cost list price paid by a remote
3 retail seller for a tobacco product for the previous calendar
4 month. The return must show the amount of tax due for all
5 remote retail sales made from outside the State, to a consumer
6 within the State during the preceding calendar month. It is
7 the intent and purpose of this amendatory Act of the 104th
8 General Assembly that the remote retail seller remit the tax
9 at the time the return is filed. It is further the intent and
10 purpose of this amendatory Act of the 104th General Assembly
11 to impose the tax under this Act only once on all tobacco
12 products sold in the State.

13 (b) In addition to the information required under
14 subsection (a), on or before the 15th day of each month,
15 covering the preceding calendar month, each stamping
16 distributor shall report the quantity of little cigars sold or
17 otherwise disposed of, including the number of packages of
18 little cigars sold or disposed of during the month containing
19 20 or 25 little cigars.

20 (c) At the time when any return of any distributor is due
21 to be filed with the Department, the distributor shall also
22 remit to the Department the tax liability that the distributor
23 has incurred for transactions occurring in the preceding
24 calendar month.

25 (d) All returns and supporting schedules required to be
26 filed under this Section and all payments required to be made

1 under this Section shall be by electronic means in the form
2 prescribed by the Department.

3 (e) If any payment provided for in this Section exceeds
4 the distributor's liabilities under this Act, as shown on an
5 original return, the distributor may credit such excess
6 payment against liability subsequently to be remitted to the
7 Department under this Act, in accordance with reasonable rules
8 adopted by the Department.

9 (Source: P.A. 103-592, eff. 1-1-25; 104-6, Article 10, Section
10 10-10, eff. 7-1-25; 104-6, Article 40, Section 40-30, eff.
11 1-1-26; revised 11-19-25.)

12 (35 ILCS 143/10-35)

13 Sec. 10-35. Record keeping.

14 (a) Every distributor, as defined in Section 10-5, shall
15 keep complete and accurate records of tobacco products held,
16 purchased, manufactured, brought in or caused to be brought in
17 from without the State, and tobacco products sold, or
18 otherwise disposed of, and shall preserve and keep all
19 invoices, bills of lading, sales records, and copies of bills
20 of sale, the wholesale price, and, beginning January 1, 2027,
21 the actual cost or actual cost list price for tobacco products
22 sold or otherwise disposed of, an inventory of tobacco
23 products prepared as of December 31 of each year or as of the
24 last day of the distributor's fiscal year if the distributor
25 ~~he or she~~ files federal income tax returns on the basis of a

1 fiscal year, and other pertinent papers and documents relating
2 to the manufacture, purchase, sale, or disposition of tobacco
3 products. Every sales invoice issued by a licensed distributor
4 to a retailer in this State shall contain the distributor's
5 Tobacco Products License number unless the distributor has
6 been granted a waiver by the Department in response to a
7 written request in cases where (i) the distributor sells
8 little cigars or other tobacco products only to licensed
9 retailers that are wholly-owned by the distributor or owned by
10 a wholly-owned subsidiary of the distributor; (ii) the
11 licensed retailer obtains little cigars or other tobacco
12 products only from the distributor requesting the waiver; and
13 (iii) the distributor affixes the tax stamps to the original
14 packages of little cigars or has or will pay the tax on the
15 other tobacco products sold to the licensed retailer. The
16 distributor shall file a written request with the Department,
17 and, if the Department determines that the distributor meets
18 the conditions for a waiver, the Department shall grant the
19 waiver.

20 (b) Every retailer, as defined in Section 10-5, whether or
21 not the retailer has obtained a retailer's license pursuant to
22 Section 4g, shall keep complete and accurate records of
23 tobacco products held, purchased, sold, or otherwise disposed
24 of, and shall preserve and keep all invoices, bills of lading,
25 sales records, and copies of bills of sale, returns and other
26 pertinent papers and documents relating to the purchase, sale,

1 or disposition of tobacco products. Such records need not be
2 maintained on the licensed premises, but must be maintained in
3 the State of Illinois; however, if access is available
4 electronically, the records may be maintained out of state.
5 However, all original invoices or copies thereof covering
6 purchases of tobacco products must be retained on the licensed
7 premises for a period of 90 days after such purchase, unless
8 the Department has granted a waiver in response to a written
9 request in cases where records are kept at a central business
10 location within the State of Illinois or in cases where
11 records that are available electronically are maintained out
12 of state. The Department shall adopt rules regarding the
13 eligibility for a waiver, revocation of a waiver, and
14 requirements and standards for maintenance and accessibility
15 of records located at a central location out-of-State pursuant
16 to a waiver provided under this Section.

17 (b-5) Every remote retail seller, as defined in Section
18 10-5 shall keep complete and accurate records of tobacco
19 products held, purchased, sold, or otherwise disposed of and
20 shall preserve and keep all invoices, bills of lading, sales
21 records, and copies of bills of sale, returns and other
22 pertinent papers and documents relating to the purchase, sale,
23 or disposition of tobacco products. Such records must be on
24 the remote retail seller's premises but need not be maintained
25 in the State of Illinois; however, remote retail sellers shall
26 also provide access electronically. However, all original

1 invoices or copies thereof covering purchases of tobacco
2 products must be retained on the remote retail seller's
3 premises until the expiration of the period with respect to
4 which the Department is authorized to issue a notice of tax
5 liability.

6 (c) Books, records, papers, and documents that are
7 required by this Act to be kept shall, at all times during the
8 usual business hours of the day, be subject to inspection by
9 the Department or its duly authorized agents and employees.
10 The books, records, papers, and documents for any period with
11 respect to which the Department is authorized to issue a
12 notice of tax liability shall be preserved until the
13 expiration of that period.

14 (Source: P.A. 99-192, eff. 1-1-16; 100-940, eff. 8-17-18.)

15 (35 ILCS 143/10-37)

16 Sec. 10-37. Proof of payment of tax imposed by this Act.
17 Every licensed distributor of tobacco products in this State
18 is required to show proof of the tax having been paid as
19 required by this Act by displaying its Tobacco Products
20 License number on every sales invoice issued to a retailer in
21 this State. Every licensed remote retail seller of tobacco
22 products in this State is required to show proof of the tax
23 having been paid as required by this Act by displaying its
24 Tobacco Products License number on every sales invoice issued
25 to a consumer in this State. No retailer shall possess tobacco

1 products without either a proper invoice indicating that the
2 tobacco products tax was paid by a distributor for the tobacco
3 products in the retailer's possession or other proof that the
4 tax was paid by the retailer if it has purchased tobacco
5 products on which tax has not been paid as required by this
6 Act. Failure to comply with the provisions of this paragraph
7 may be grounds for revocation of a distributor's, remote
8 retail seller's, or retailer's license in accordance with
9 Section 10-25 of this Act or Section 6 of the Cigarette Tax
10 Act. In addition, the Department may impose a civil penalty
11 not to exceed \$1,000 for the first violation and \$3,000 for
12 each subsequent violation, which shall be deposited into the
13 Tax Compliance and Administration Fund.

14 (Source: P.A. 100-940, eff. 8-17-18.)

15 (35 ILCS 143/10-38)

16 Sec. 10-38. Presumption for unlicensed distributors,
17 remote retail sellers, or persons. Whenever any person obtains
18 tobacco products from an unlicensed in-state or out-of-state
19 distributor, remote retail seller, or person, a prima facie
20 presumption shall arise that the tax imposed by this Act on
21 such tobacco products has not been paid in violation of this
22 Act. Invoices or other documents kept in the normal course of
23 business in the possession of a person reflecting purchases of
24 tobacco products from an unlicensed in-state or out-of-state
25 distributor, remote retail seller, or person or invoices or

1 other documents kept in the normal course of business obtained
2 by the Department from in-state or out-of-state distributors, remote retail sellers,
3 remote retail sellers, or persons, are sufficient to raise the
4 presumption that the tax imposed by this Act has not been paid.
5 If a presumption is raised, the Department may assess tax,
6 penalty, and interest on the tobacco products. In addition,
7 any person who violates this Section is liable to pay to the
8 Department, for deposit in the Tax Compliance and
9 Administration Fund, a penalty of \$1,000 for the first
10 violation and \$3,000 for any subsequent violation. The
11 Department may adopt rules to administer the penalties under
12 this Section.

13 (Source: P.A. 100-940, eff. 8-17-18.)

14 (35 ILCS 143/10-45)

15 Sec. 10-45. Incorporation by reference. All of the
16 provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, ~~5h~~,
17 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11, 11a, and 12 of the
18 Retailers' Occupation Tax Act, and all applicable provisions
19 of the Uniform Penalty and Interest Act that are not
20 inconsistent with this Act, apply to distributors and remote
21 retail sellers of tobacco products to the same extent as if
22 those provisions were included in this Act. References in the
23 incorporated Sections of the Retailers' Occupation Tax Act to
24 retailers, to sellers, or to persons engaged in the business
25 of selling tangible personal property mean distributors or

1 remote retail sellers when used in this Act. References in the
2 incorporated Sections to sales of tangible personal property
3 mean sales of tobacco products when used in this Act.

4 All of the provisions of Sections 7, 8, 8a, 16, 18a, 18b,
5 18c, 22, 23, 24, 26, 27, and 28a of the Cigarette Tax Act which
6 are not inconsistent with this Act shall apply, as far as
7 practicable, to the subject matter of this Act to the same
8 extent as if those provisions were included in this Act.
9 References in the incorporated Sections to sales of cigarettes
10 mean sales of little cigars in packages of 20 or 25 little
11 cigars.

12 (Source: P.A. 98-273, eff. 8-9-13.)

13 (35 ILCS 143/10-50)

14 Sec. 10-50. Violations and penalties. When the amount due
15 is under \$300, any distributor or remote retail seller who
16 fails to file a return, willfully fails or refuses to make any
17 payment to the Department of the tax imposed by this Act, or
18 files a fraudulent return, or any officer or agent of a
19 corporation engaged in the business of distributing or
20 engaging in remote retail sales of tobacco products to
21 retailers or ~~and~~ consumers located in this State who signs a
22 fraudulent return filed on behalf of the corporation, or any
23 accountant or other agent who knowingly enters false
24 information on the return of any taxpayer under this Act is
25 guilty of a Class 4 felony.

1 Any person who violates any provision of Section 10-20,
2 10-21, ~~or~~ 10-22, or 10-24 of this Act, fails to keep books and
3 records as required under this Act, or willfully violates a
4 rule or regulation of the Department for the administration
5 and enforcement of this Act is guilty of a Class 4 felony. A
6 person commits a separate offense on each day that he or she
7 engages in business in violation of Section 10-20, 10-21, ~~or~~
8 10-22, or 10-24 of this Act. If a person fails to produce the
9 books and records for inspection by the Department upon
10 request, a prima facie presumption shall arise that the person
11 has failed to keep books and records as required under this
12 Act. A person who is unable to rebut this presumption is in
13 violation of this Act and is subject to the penalties provided
14 in this Section.

15 When the amount due is under \$300, any person who accepts
16 money that is due to the Department under this Act from a
17 taxpayer for the purpose of acting as the taxpayer's agent to
18 make the payment to the Department, but who fails to remit the
19 payment to the Department when due, is guilty of a Class 4
20 felony.

21 Any person who violates any provision of Sections 10-20,
22 10-21 and 10-22 of this Act, fails to keep books and records as
23 required under this Act, or willfully violates a rule or
24 regulation of the Department for the administration and
25 enforcement of this Act is guilty of a business offense and may
26 be fined up to \$5,000. If a person fails to produce books and

1 records for inspection by the Department upon request, a prima
2 facie presumption shall arise that the person has failed to
3 keep books and records as required under this Act. A person who
4 is unable to rebut this presumption is in violation of this Act
5 and is subject to the penalties provided in this Section. A
6 person commits a separate offense on each day that he or she
7 engages in business in violation of Sections 10-20, 10-21 and
8 10-22 of this Act.

9 When the amount due is \$300 or more, any distributor or
10 remote retail seller who files, or causes to be filed, a
11 fraudulent return, or any officer or agent of a corporation
12 engaged in the business of distributing or engaging in remote
13 retail sales of tobacco products to retailers or ~~and~~ consumers
14 located in this State who files or causes to be filed or signs
15 or causes to be signed a fraudulent return filed on behalf of
16 the corporation, or any accountant or other agent who
17 knowingly enters false information on the return of any
18 taxpayer under this Act is guilty of a Class 3 felony.

19 When the amount due is \$300 or more, any person engaged in
20 the business of distributing or engaging in remote retail
21 sales of tobacco products to retailers or ~~and~~ consumers
22 located in this State who fails to file a return, willfully
23 fails or refuses to make any payment to the Department of the
24 tax imposed by this Act, or accepts money that is due to the
25 Department under this Act from a taxpayer for the purpose of
26 acting as the taxpayer's agent to make payment to the

1 Department but fails to remit such payment to the Department
2 when due is guilty of a Class 3 felony.

3 When the amount due is under \$300, any retailer who fails
4 to file a return, willfully fails or refuses to make any
5 payment to the Department of the tax imposed by this Act, or
6 files a fraudulent return, or any officer or agent of a
7 corporation engaged in the retail business of selling tobacco
8 products to purchasers of tobacco products for use and
9 consumption located in this State who signs a fraudulent
10 return filed on behalf of the corporation, or any accountant
11 or other agent who knowingly enters false information on the
12 return of any taxpayer under this Act is guilty of a Class A
13 misdemeanor for a first offense and a Class 4 felony for each
14 subsequent offense.

15 When the amount due is \$300 or more, any retailer who fails
16 to file a return, willfully fails or refuses to make any
17 payment to the Department of the tax imposed by this Act, or
18 files a fraudulent return, or any officer or agent of a
19 corporation engaged in the retail business of selling tobacco
20 products to purchasers of tobacco products for use and
21 consumption located in this State who signs a fraudulent
22 return filed on behalf of the corporation, or any accountant
23 or other agent who knowingly enters false information on the
24 return of any taxpayer under this Act is guilty of a Class 4
25 felony.

26 Any person whose principal place of business is in this

1 State and who is charged with a violation under this Section
2 shall be tried in the county where his or her principal place
3 of business is located unless he or she asserts a right to be
4 tried in another venue. If the taxpayer does not have his or
5 her principal place of business in this State, however, the
6 hearing must be held in Sangamon County unless the taxpayer
7 asserts a right to be tried in another venue.

8 Any taxpayer or agent of a taxpayer who with the intent to
9 defraud purports to make a payment due to the Department by
10 issuing or delivering a check or other order upon a real or
11 fictitious depository for the payment of money, knowing that
12 it will not be paid by the depository, is guilty of a deceptive
13 practice in violation of Section 17-1 of the Criminal Code of
14 2012.

15 A prosecution for a violation described in this Section
16 may be commenced within 3 years after the commission of the act
17 constituting the violation.

18 (Source: P.A. 100-201, eff. 8-18-17; 100-940, eff. 8-17-18.)

19 ARTICLE 115

20 Section 115-5. The Liquor Control Act of 1934 is amended
21 by changing Section 8-1 as follows:

22 (235 ILCS 5/8-1)

23 Sec. 8-1. A tax is imposed upon the privilege of engaging

1 in business as a manufacturer or as an importing distributor
2 of alcoholic liquor, other than beer, at the rate of ~~\$0.185 per~~
3 ~~gallon until September 1, 2009~~ and \$0.231 per gallon beginning
4 ~~September 1, 2009~~ for cider containing not less than 0.5%
5 alcohol by volume nor more than 7% alcohol by volume, ~~\$0.73 per~~
6 ~~gallon until September 1, 2009~~ and \$1.39 per gallon beginning
7 ~~September 1, 2009~~ for alcoholic liquor containing not more
8 than 20% alcohol by volume ~~wine other than cider containing~~
9 ~~less than 7% alcohol by volume, and \$4.50 per gallon until~~
10 ~~September 1, 2009~~ and \$8.55 per gallon beginning ~~September 1,~~
11 ~~2009~~ on alcoholic liquor containing more than 20% alcohol by
12 volume ~~alcohol and spirits manufactured and sold or used by~~
13 ~~such manufacturer, or as agent for any other person, or sold or~~
14 ~~used by such importing distributor, or as agent for any other~~
15 ~~person. A tax is imposed upon the privilege of engaging in~~
16 ~~business as a manufacturer of beer or as an importing~~
17 ~~distributor of beer at the rate of \$0.185 per gallon until~~
18 ~~September 1, 2009~~ and \$0.231 per gallon beginning ~~September 1,~~
19 ~~2009~~ on all beer, regardless of alcohol by volume,
20 manufactured and sold or used by such manufacturer, or as
21 agent for any other person, or sold or used by such importing
22 distributor, or as agent for any other person. Any brewer
23 manufacturing beer in this State shall be entitled to and
24 given a credit or refund of 75% of the tax imposed on each
25 gallon of beer up to 4.9 million gallons per year in any given
26 calendar year for tax paid or payable on beer produced and sold

1 in the State of Illinois.

2 For purposes of this Section, "beer" means beer, ale,
3 porter, stout, and other similar fermented beverages of any
4 name or description containing one-half of one percent or more
5 of alcohol by volume, brewed or produced from malt, wholly or
6 in part, or from any substitute for malt.

7 For the purpose of this Section, "cider" means any
8 alcoholic beverage obtained by the alcohol fermentation of the
9 juice of apples or pears including, but not limited to,
10 flavored, sparkling, or carbonated cider.

11 The credit or refund created by this Act shall apply to all
12 beer taxes in the calendar years 1982 through 1986.

13 The increases made by this amendatory Act of the 91st
14 General Assembly in the rates of taxes imposed under this
15 Section shall apply beginning on July 1, 1999.

16 A tax at the rate of 1¢ per gallon on beer and 48¢ per
17 gallon on alcohol and spirits is also imposed upon the
18 privilege of engaging in business as a retailer or as a
19 distributor who is not also an importing distributor with
20 respect to all beer and all alcohol and spirits owned or
21 possessed by such retailer or distributor when this amendatory
22 Act of 1969 becomes effective, and with respect to which the
23 additional tax imposed by this amendatory Act upon
24 manufacturers and importing distributors does not apply.
25 Retailers and distributors who are subject to the additional
26 tax imposed by this paragraph of this Section shall be

1 required to inventory such alcoholic liquor and to pay this
2 additional tax in a manner prescribed by the Department.

3 The provisions of this Section shall be construed to apply
4 to any importing distributor engaging in business in this
5 State, whether licensed or not.

6 However, such tax is not imposed upon any such business as
7 to any alcoholic liquor shipped outside Illinois by an
8 Illinois licensed manufacturer or importing distributor, nor
9 as to any alcoholic liquor delivered in Illinois by an
10 Illinois licensed manufacturer or importing distributor to a
11 purchaser for immediate transportation by the purchaser to
12 another state into which the purchaser has a legal right,
13 under the laws of such state, to import such alcoholic liquor,
14 nor as to any alcoholic liquor other than beer sold by one
15 Illinois licensed manufacturer or importing distributor to
16 another Illinois licensed manufacturer or importing
17 distributor to the extent to which the sale of alcoholic
18 liquor other than beer by one Illinois licensed manufacturer
19 or importing distributor to another Illinois licensed
20 manufacturer or importing distributor is authorized by the
21 licensing provisions of this Act, nor to alcoholic liquor
22 whether manufactured in or imported into this State when sold
23 to a "non-beverage user" licensed by the State for use in the
24 manufacture of any of the following when they are unfit for
25 beverage purposes:

26 Patent and proprietary medicines and medicinal,

1 antiseptic, culinary and toilet preparations;

2 Flavoring extracts and syrups and food products;

3 Scientific, industrial and chemical products, excepting
4 denatured alcohol;

5 Or for scientific, chemical, experimental or mechanical
6 purposes;

7 Nor is the tax imposed upon the privilege of engaging in
8 any business in interstate commerce or otherwise, which
9 business may not, under the Constitution and Statutes of the
10 United States, be made the subject of taxation by this State.

11 The tax herein imposed shall be in addition to all other
12 occupation or privilege taxes imposed by the State of Illinois
13 or political subdivision thereof.

14 If any alcoholic liquor manufactured in or imported into
15 this State is sold to a licensed manufacturer or importing
16 distributor by a licensed manufacturer or importing
17 distributor to be used solely as an ingredient in the
18 manufacture of any beverage for human consumption, the tax
19 imposed upon such purchasing manufacturer or importing
20 distributor shall be reduced by the amount of the taxes which
21 have been paid by the selling manufacturer or importing
22 distributor under this Act as to such alcoholic liquor so used
23 to the Department of Revenue.

24 If any person received any alcoholic liquors from a
25 manufacturer or importing distributor, with respect to which
26 alcoholic liquors no tax is imposed under this Article, and

1 such alcoholic liquor shall thereafter be disposed of in such
2 manner or under such circumstances as may cause the same to
3 become the base for the tax imposed by this Article, such
4 person shall make the same reports and returns, pay the same
5 taxes and be subject to all other provisions of this Article
6 relating to manufacturers and importing distributors.

7 Nothing in this Article shall be construed to require the
8 payment to the Department of the taxes imposed by this Article
9 more than once with respect to any quantity of alcoholic
10 liquor sold or used within this State.

11 No tax is imposed by this Act on sales of alcoholic liquor
12 by Illinois licensed foreign importers to Illinois licensed
13 importing distributors.

14 Before July 1, 2025, all of the proceeds of the additional
15 tax imposed by Public Act 96-34 shall be deposited by the
16 Department into the Capital Projects Fund. The remainder of
17 the tax imposed by this Act shall be deposited by the
18 Department into the General Revenue Fund. On and after July 1,
19 2025, the proceeds from the tax imposed by this Act shall be
20 deposited as follows:

21 (1) 43% into the Capital Projects Fund; and

22 (2) 57% into the General Revenue Fund.

23 A manufacturer of beer that imports or transfers beer into
24 this State must comply with the provisions of this Section
25 with regard to the beer imported into this State.

26 The provisions of this Section 8-1 are severable under

1 Section 1.31 of the Statute on Statutes.

2 (Source: P.A. 104-6, eff. 6-16-25.)

3 ARTICLE 120

4 Section 120-5. The Illinois Income Tax Act is amended by
5 changing Section 203 as follows:

6 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

7 Sec. 203. Base income defined.

8 (a) Individuals.

9 (1) In general. In the case of an individual, base
10 income means an amount equal to the taxpayer's adjusted
11 gross income for the taxable year as modified by paragraph
12 (2).

13 (2) Modifications. The adjusted gross income referred
14 to in paragraph (1) shall be modified by adding thereto
15 the sum of the following amounts:

16 (A) An amount equal to all amounts paid or accrued
17 to the taxpayer as interest or dividends during the
18 taxable year to the extent excluded from gross income
19 in the computation of adjusted gross income, except
20 stock dividends of qualified public utilities
21 described in Section 305(e) of the Internal Revenue
22 Code;

23 (B) An amount equal to the amount of tax imposed by

1 this Act to the extent deducted from gross income in
2 the computation of adjusted gross income for the
3 taxable year;

4 (C) An amount equal to the amount received during
5 the taxable year as a recovery or refund of real
6 property taxes paid with respect to the taxpayer's
7 principal residence under the Revenue Act of 1939 and
8 for which a deduction was previously taken under
9 subparagraph (L) of this paragraph (2) prior to July
10 1, 1991, the retrospective application date of Article
11 4 of Public Act 87-17. In the case of multi-unit or
12 multi-use structures and farm dwellings, the taxes on
13 the taxpayer's principal residence shall be that
14 portion of the total taxes for the entire property
15 which is attributable to such principal residence;

16 (D) An amount equal to the amount of the capital
17 gain deduction allowable under the Internal Revenue
18 Code, to the extent deducted from gross income in the
19 computation of adjusted gross income;

20 (D-5) An amount, to the extent not included in
21 adjusted gross income, equal to the amount of money
22 withdrawn by the taxpayer in the taxable year from a
23 medical care savings account and the interest earned
24 on the account in the taxable year of a withdrawal
25 pursuant to subsection (b) of Section 20 of the
26 Medical Care Savings Account Act or subsection (b) of

1 Section 20 of the Medical Care Savings Account Act of
2 2000;

3 (D-10) For taxable years ending after December 31,
4 1997, an amount equal to any eligible remediation
5 costs that the individual deducted in computing
6 adjusted gross income and for which the individual
7 claims a credit under subsection (l) of Section 201;

8 (D-15) For taxable years 2001 through 2025, an
9 amount equal to the bonus depreciation deduction taken
10 on the taxpayer's federal income tax return for the
11 taxable year under subsection (k) of Section 168 of
12 the Internal Revenue Code; for taxable years 2026 and
13 thereafter, an amount equal to the bonus depreciation
14 deduction taken on the taxpayer's federal income tax
15 return for the taxable year under subsection (k) or
16 (n) of Section 168 of the Internal Revenue Code;

17 (D-16) If the taxpayer sells, transfers, abandons,
18 or otherwise disposes of property for which the
19 taxpayer was required in any taxable year to make an
20 addition modification under subparagraph (D-15), then
21 an amount equal to the aggregate amount of the
22 deductions taken in all taxable years under
23 subparagraph (Z) with respect to that property.

24 If the taxpayer continues to own property through
25 the last day of the last tax year for which a
26 subtraction is allowed with respect to that property

1 under subparagraph (Z) and for which the taxpayer was
2 allowed in any taxable year to make a subtraction
3 modification under subparagraph (Z), then an amount
4 equal to that subtraction modification.

5 The taxpayer is required to make the addition
6 modification under this subparagraph only once with
7 respect to any one piece of property;

8 (D-17) An amount equal to the amount otherwise
9 allowed as a deduction in computing base income for
10 interest paid, accrued, or incurred, directly or
11 indirectly, (i) for taxable years ending on or after
12 December 31, 2004, to a foreign person who would be a
13 member of the same unitary business group but for the
14 fact that foreign person's business activity outside
15 the United States is 80% or more of the foreign
16 person's total business activity and (ii) for taxable
17 years ending on or after December 31, 2008, to a person
18 who would be a member of the same unitary business
19 group but for the fact that the person is prohibited
20 under Section 1501(a)(27) from being included in the
21 unitary business group because he or she is ordinarily
22 required to apportion business income under different
23 subsections of Section 304. The addition modification
24 required by this subparagraph shall be reduced to the
25 extent that dividends were included in base income of
26 the unitary group for the same taxable year and

1 received by the taxpayer or by a member of the
2 taxpayer's unitary business group (including amounts
3 included in gross income under Sections 951 through
4 964 of the Internal Revenue Code and amounts included
5 in gross income under Section 78 of the Internal
6 Revenue Code) with respect to the stock of the same
7 person to whom the interest was paid, accrued, or
8 incurred. For taxable years ending on and after
9 December 31, 2025, for purposes of applying this
10 paragraph in the case of a taxpayer to which Section
11 163(j) of the Internal Revenue Code applies for the
12 taxable year, the reduction in the amount of interest
13 for which a deduction is allowed by reason of Section
14 163(j) shall be treated as allocable first to persons
15 who are not foreign persons referred to in this
16 paragraph and then to such foreign persons.

17 For taxable years ending before December 31, 2025,
18 this paragraph shall not apply to the following:

19 (i) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person who
21 is subject in a foreign country or state, other
22 than a state which requires mandatory unitary
23 reporting, to a tax on or measured by net income
24 with respect to such interest; or

25 (ii) an item of interest paid, accrued, or
26 incurred, directly or indirectly, to a person if

1 the taxpayer can establish, based on a
2 preponderance of the evidence, both of the
3 following:

4 (a) the person, during the same taxable
5 year, paid, accrued, or incurred, the interest
6 to a person that is not a related member, and

7 (b) the transaction giving rise to the
8 interest expense between the taxpayer and the
9 person did not have as a principal purpose the
10 avoidance of Illinois income tax, and is paid
11 pursuant to a contract or agreement that
12 reflects an arm's-length interest rate and
13 terms; or

14 (iii) the taxpayer can establish, based on
15 clear and convincing evidence, that the interest
16 paid, accrued, or incurred relates to a contract
17 or agreement entered into at arm's-length rates
18 and terms and the principal purpose for the
19 payment is not federal or Illinois tax avoidance;
20 or

21 (iv) an item of interest paid, accrued, or
22 incurred, directly or indirectly, to a person if
23 the taxpayer establishes by clear and convincing
24 evidence that the adjustments are unreasonable; or
25 if the taxpayer and the Director agree in writing
26 to the application or use of an alternative method

1 of apportionment under Section 304(f).

2 For taxable years ending on or after December 31,
3 2025, this paragraph shall not apply to the following:

4 (i) an item of interest paid, accrued, or
5 incurred, directly or indirectly, to a person if
6 the taxpayer can establish, based on a
7 preponderance of the evidence, both of the
8 following:

9 (a) the person, during the same taxable
10 year, paid, accrued, or incurred, the interest
11 to a person that is not a related member, and

12 (b) the transaction giving rise to the
13 interest expense between the taxpayer and the
14 person did not have as a principal purpose the
15 avoidance of Illinois income tax and is paid
16 pursuant to a contract or agreement that
17 reflects an arm's-length interest rate and
18 terms; or

19 (ii) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person if
21 the taxpayer establishes by clear and convincing
22 evidence that the adjustments are unreasonable; or
23 if the taxpayer and the Director agree in writing
24 to the application or use of an alternative method
25 of apportionment under Section 304(f).

26 Nothing in this subsection shall preclude the

1 Director from making any other adjustment otherwise
2 allowed under Section 404 of this Act for any tax year
3 beginning after the effective date of this amendment
4 provided such adjustment is made pursuant to
5 regulation adopted by the Department and such
6 regulations provide methods and standards by which the
7 Department will utilize its authority under Section
8 404 of this Act;

9 (D-18) An amount equal to the amount of intangible
10 expenses and costs otherwise allowed as a deduction in
11 computing base income, and that were paid, accrued, or
12 incurred, directly or indirectly, (i) for taxable
13 years ending on or after December 31, 2004, to a
14 foreign person who would be a member of the same
15 unitary business group but for the fact that the
16 foreign person's business activity outside the United
17 States is 80% or more of that person's total business
18 activity and (ii) for taxable years ending on or after
19 December 31, 2008, to a person who would be a member of
20 the same unitary business group but for the fact that
21 the person is prohibited under Section 1501(a)(27)
22 from being included in the unitary business group
23 because he or she is ordinarily required to apportion
24 business income under different subsections of Section
25 304. The addition modification required by this
26 subparagraph shall be reduced to the extent that

1 dividends were included in base income of the unitary
2 group for the same taxable year and received by the
3 taxpayer or by a member of the taxpayer's unitary
4 business group (including amounts included in gross
5 income under Sections 951 through 964 of the Internal
6 Revenue Code and amounts included in gross income
7 under Section 78 of the Internal Revenue Code) with
8 respect to the stock of the same person to whom the
9 intangible expenses and costs were directly or
10 indirectly paid, incurred, or accrued. The preceding
11 sentence does not apply to the extent that the same
12 dividends caused a reduction to the addition
13 modification required under Section 203(a)(2)(D-17) of
14 this Act. As used in this subparagraph, the term
15 "intangible expenses and costs" includes (1) expenses,
16 losses, and costs for, or related to, the direct or
17 indirect acquisition, use, maintenance or management,
18 ownership, sale, exchange, or any other disposition of
19 intangible property; (2) losses incurred, directly or
20 indirectly, from factoring transactions or discounting
21 transactions; (3) royalty, patent, technical, and
22 copyright fees; (4) licensing fees; and (5) other
23 similar expenses and costs. For purposes of this
24 subparagraph, "intangible property" includes patents,
25 patent applications, trade names, trademarks, service
26 marks, copyrights, mask works, trade secrets, and

1 similar types of intangible assets.

2 For taxable years ending before December 31, 2025,
3 this paragraph shall not apply to the following:

4 (i) any item of intangible expenses or costs
5 paid, accrued, or incurred, directly or
6 indirectly, from a transaction with a person who
7 is subject in a foreign country or state, other
8 than a state which requires mandatory unitary
9 reporting, to a tax on or measured by net income
10 with respect to such item; or

11 (ii) any item of intangible expense or cost
12 paid, accrued, or incurred, directly or
13 indirectly, if the taxpayer can establish, based
14 on a preponderance of the evidence, both of the
15 following:

16 (a) the person during the same taxable
17 year paid, accrued, or incurred, the
18 intangible expense or cost to a person that is
19 not a related member, and

20 (b) the transaction giving rise to the
21 intangible expense or cost between the
22 taxpayer and the person did not have as a
23 principal purpose the avoidance of Illinois
24 income tax, and is paid pursuant to a contract
25 or agreement that reflects arm's-length terms;
26 or

1 (iii) any item of intangible expense or cost
2 paid, accrued, or incurred, directly or
3 indirectly, from a transaction with a person if
4 the taxpayer establishes by clear and convincing
5 evidence, that the adjustments are unreasonable;
6 or if the taxpayer and the Director agree in
7 writing to the application or use of an
8 alternative method of apportionment under Section
9 304(f);

10 For taxable years ending on or after December 31,
11 2025, this paragraph shall not apply to the following:

12 (i) any item of intangible expense or cost
13 paid, accrued, or incurred, directly or
14 indirectly, if the taxpayer can establish, based
15 on a preponderance of the evidence, both of the
16 following:

17 (a) the person during the same taxable
18 year paid, accrued, or incurred, the
19 intangible expense or cost to a person that is
20 not a related member, and

21 (b) the transaction giving rise to the
22 intangible expense or cost between the
23 taxpayer and the person did not have as a
24 principal purpose the avoidance of Illinois
25 income tax, and is paid pursuant to a contract
26 or agreement that reflects arm's-length terms;

1 or

2 (ii) any item of intangible expense or cost
3 paid, accrued, or incurred, directly or
4 indirectly, from a transaction with a person if
5 the taxpayer establishes by clear and convincing
6 evidence, that the adjustments are unreasonable;
7 or if the taxpayer and the Director agree in
8 writing to the application or use of an
9 alternative method of apportionment under Section
10 304(f).

11 Nothing in this subsection shall preclude the
12 Director from making any other adjustment otherwise
13 allowed under Section 404 of this Act for any tax year
14 beginning after the effective date of this amendment
15 provided such adjustment is made pursuant to
16 regulation adopted by the Department and such
17 regulations provide methods and standards by which the
18 Department will utilize its authority under Section
19 404 of this Act;

20 (D-19) For taxable years ending on or after
21 December 31, 2008, an amount equal to the amount of
22 insurance premium expenses and costs otherwise allowed
23 as a deduction in computing base income, and that were
24 paid, accrued, or incurred, directly or indirectly, to
25 a person who would be a member of the same unitary
26 business group but for the fact that the person is

1 prohibited under Section 1501(a)(27) from being
2 included in the unitary business group because he or
3 she is ordinarily required to apportion business
4 income under different subsections of Section 304. The
5 addition modification required by this subparagraph
6 shall be reduced to the extent that dividends were
7 included in base income of the unitary group for the
8 same taxable year and received by the taxpayer or by a
9 member of the taxpayer's unitary business group
10 (including amounts included in gross income under
11 Sections 951 through 964 of the Internal Revenue Code
12 and amounts included in gross income under Section 78
13 of the Internal Revenue Code) with respect to the
14 stock of the same person to whom the premiums and costs
15 were directly or indirectly paid, incurred, or
16 accrued. The preceding sentence does not apply to the
17 extent that the same dividends caused a reduction to
18 the addition modification required under Section
19 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this
20 Act;

21 (D-20) For taxable years beginning on or after
22 January 1, 2002 and ending on or before December 31,
23 2006, in the case of a distribution from a qualified
24 tuition program under Section 529 of the Internal
25 Revenue Code, other than (i) a distribution from a
26 College Savings Pool created under Section 16.5 of the

1 State Treasurer Act or (ii) a distribution from the
2 Illinois Prepaid Tuition Trust Fund, an amount equal
3 to the amount excluded from gross income under Section
4 529(c)(3)(B). For taxable years beginning on or after
5 January 1, 2007, in the case of a distribution from a
6 qualified tuition program under Section 529 of the
7 Internal Revenue Code, other than (i) a distribution
8 from a College Savings Pool created under Section 16.5
9 of the State Treasurer Act, (ii) a distribution from
10 the Illinois Prepaid Tuition Trust Fund, or (iii) a
11 distribution from a qualified tuition program under
12 Section 529 of the Internal Revenue Code that (I)
13 adopts and determines that its offering materials
14 comply with the College Savings Plans Network's
15 disclosure principles and (II) has made reasonable
16 efforts to inform in-state residents of the existence
17 of in-state qualified tuition programs by informing
18 Illinois residents directly and, where applicable, to
19 inform financial intermediaries distributing the
20 program to inform in-state residents of the existence
21 of in-state qualified tuition programs at least
22 annually, an amount equal to the amount excluded from
23 gross income under Section 529(c)(3)(B).

24 For the purposes of this subparagraph (D-20), a
25 qualified tuition program has made reasonable efforts
26 if it makes disclosures (which may use the term

1 "in-state program" or "in-state plan" and need not
2 specifically refer to Illinois or its qualified
3 programs by name) (i) directly to prospective
4 participants in its offering materials or makes a
5 public disclosure, such as a website posting; and (ii)
6 where applicable, to intermediaries selling the
7 out-of-state program in the same manner that the
8 out-of-state program distributes its offering
9 materials;

10 (D-20.5) For taxable years beginning on or after
11 January 1, 2018, in the case of a distribution from a
12 qualified ABLE program under Section 529A of the
13 Internal Revenue Code, other than a distribution from
14 a qualified ABLE program created under Section 16.6 of
15 the State Treasurer Act, an amount equal to the amount
16 excluded from gross income under Section 529A(c) (1) (B)
17 of the Internal Revenue Code;

18 (D-21) For taxable years beginning on or after
19 January 1, 2007, in the case of transfer of moneys from
20 a qualified tuition program under Section 529 of the
21 Internal Revenue Code that is administered by the
22 State to an out-of-state program, an amount equal to
23 the amount of moneys previously deducted from base
24 income under subsection (a) (2) (Y) of this Section;

25 (D-21.5) For taxable years beginning on or after
26 January 1, 2018, in the case of the transfer of moneys

1 from a qualified tuition program under Section 529 or
2 a qualified ABLE program under Section 529A of the
3 Internal Revenue Code that is administered by this
4 State to an ABLE account established under an
5 out-of-state ABLE account program, an amount equal to
6 the contribution component of the transferred amount
7 that was previously deducted from base income under
8 subsection (a)(2)(Y) or subsection (a)(2)(HH) of this
9 Section;

10 (D-22) For taxable years beginning on or after
11 January 1, 2009, and prior to January 1, 2018, in the
12 case of a nonqualified withdrawal or refund of moneys
13 from a qualified tuition program under Section 529 of
14 the Internal Revenue Code administered by the State
15 that is not used for qualified expenses at an eligible
16 education institution, an amount equal to the
17 contribution component of the nonqualified withdrawal
18 or refund that was previously deducted from base
19 income under subsection (a)(2)(y) of this Section,
20 provided that the withdrawal or refund did not result
21 from the beneficiary's death or disability. For
22 taxable years beginning on or after January 1, 2018:
23 (1) in the case of a nonqualified withdrawal or
24 refund, as defined under Section 16.5 of the State
25 Treasurer Act, of moneys from a qualified tuition
26 program under Section 529 of the Internal Revenue Code

1 administered by the State, an amount equal to the
2 contribution component of the nonqualified withdrawal
3 or refund that was previously deducted from base
4 income under subsection (a)(2)(Y) of this Section, and
5 (2) in the case of a nonqualified withdrawal or refund
6 from a qualified ABLE program under Section 529A of
7 the Internal Revenue Code administered by the State
8 that is not used for qualified disability expenses, an
9 amount equal to the contribution component of the
10 nonqualified withdrawal or refund that was previously
11 deducted from base income under subsection (a)(2)(HH)
12 of this Section;

13 (D-23) An amount equal to the credit allowable to
14 the taxpayer under Section 218(a) of this Act,
15 determined without regard to Section 218(c) of this
16 Act;

17 (D-24) For taxable years ending on or after
18 December 31, 2017, an amount equal to the deduction
19 allowed under Section 199 of the Internal Revenue Code
20 for the taxable year;

21 (D-25) In the case of a resident, an amount equal
22 to the amount of tax for which a credit is allowed
23 pursuant to Section 201(p)(7) of this Act;

24 (D-26) For taxable years ending on and after
25 December 31, 2026, an amount equal to the amount of
26 gain excluded from gross income under Section 1202 of

1 the Internal Revenue Code;

2 and by deducting from the total so obtained the sum of the
3 following amounts:

4 (E) For taxable years ending before December 31,
5 2001, any amount included in such total in respect of
6 any compensation (including but not limited to any
7 compensation paid or accrued to a serviceman while a
8 prisoner of war or missing in action) paid to a
9 resident by reason of being on active duty in the Armed
10 Forces of the United States and in respect of any
11 compensation paid or accrued to a resident who as a
12 governmental employee was a prisoner of war or missing
13 in action, and in respect of any compensation paid to a
14 resident in 1971 or thereafter for annual training
15 performed pursuant to Sections 502 and 503, Title 32,
16 United States Code as a member of the Illinois
17 National Guard or, beginning with taxable years ending
18 on or after December 31, 2007, the National Guard of
19 any other state. For taxable years ending on or after
20 December 31, 2001, any amount included in such total
21 in respect of any compensation (including but not
22 limited to any compensation paid or accrued to a
23 serviceman while a prisoner of war or missing in
24 action) paid to a resident by reason of being a member
25 of any component of the Armed Forces of the United
26 States and in respect of any compensation paid or

1 accrued to a resident who as a governmental employee
2 was a prisoner of war or missing in action, and in
3 respect of any compensation paid to a resident in 2001
4 or thereafter by reason of being a member of the
5 Illinois National Guard or, beginning with taxable
6 years ending on or after December 31, 2007, the
7 National Guard of any other state. The provisions of
8 this subparagraph (E) are exempt from the provisions
9 of Section 250;

10 (F) An amount equal to all amounts included in
11 such total pursuant to the provisions of Sections
12 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and
13 408 of the Internal Revenue Code, or included in such
14 total as distributions under the provisions of any
15 retirement or disability plan for employees of any
16 governmental agency or unit, or retirement payments to
17 retired partners, which payments are excluded in
18 computing net earnings from self employment by Section
19 1402 of the Internal Revenue Code and regulations
20 adopted pursuant thereto;

21 (G) The valuation limitation amount;

22 (H) An amount equal to the amount of any tax
23 imposed by this Act which was refunded to the taxpayer
24 and included in such total for the taxable year;

25 (I) An amount equal to all amounts included in
26 such total pursuant to the provisions of Section 111

1 of the Internal Revenue Code as a recovery of items
2 previously deducted from adjusted gross income in the
3 computation of taxable income;

4 (J) An amount equal to those dividends included in
5 such total which were paid by a corporation which
6 conducts business operations in a River Edge
7 Redevelopment Zone or zones created under the River
8 Edge Redevelopment Zone Act, and conducts
9 substantially all of its operations in a River Edge
10 Redevelopment Zone or zones. This subparagraph (J) is
11 exempt from the provisions of Section 250;

12 (K) An amount equal to those dividends included in
13 such total that were paid by a corporation that
14 conducts business operations in a federally designated
15 Foreign Trade Zone or Sub-Zone and that is designated
16 a High Impact Business located in Illinois; provided
17 that dividends eligible for the deduction provided in
18 subparagraph (J) of paragraph (2) of this subsection
19 shall not be eligible for the deduction provided under
20 this subparagraph (K);

21 (L) For taxable years ending after December 31,
22 1983, an amount equal to all social security benefits
23 and railroad retirement benefits included in such
24 total pursuant to Sections 72(r) and 86 of the
25 Internal Revenue Code;

26 (M) With the exception of any amounts subtracted

1 under subparagraph (N), an amount equal to the sum of
2 all amounts disallowed as deductions by (i) Sections
3 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
4 and all amounts of expenses allocable to interest and
5 disallowed as deductions by Section 265(a)(1) of the
6 Internal Revenue Code; and (ii) for taxable years
7 ending on or after August 13, 1999, Sections
8 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the
9 Internal Revenue Code, plus, for taxable years ending
10 on or after December 31, 2011, Section 45G(e)(3) of
11 the Internal Revenue Code and, for taxable years
12 ending on or after December 31, 2008, any amount
13 included in gross income under Section 87 of the
14 Internal Revenue Code; the provisions of this
15 subparagraph are exempt from the provisions of Section
16 250;

17 (N) An amount equal to all amounts included in
18 such total which are exempt from taxation by this
19 State either by reason of its statutes or Constitution
20 or by reason of the Constitution, treaties or statutes
21 of the United States; provided that, in the case of any
22 statute of this State that exempts income derived from
23 bonds or other obligations from the tax imposed under
24 this Act, the amount exempted shall be the interest
25 net of bond premium amortization;

26 (O) An amount equal to any contribution made to a

1 job training project established pursuant to the Tax
2 Increment Allocation Redevelopment Act;

3 (P) An amount equal to the amount of the deduction
4 used to compute the federal income tax credit for
5 restoration of substantial amounts held under claim of
6 right for the taxable year pursuant to Section 1341 of
7 the Internal Revenue Code or of any itemized deduction
8 taken from adjusted gross income in the computation of
9 taxable income for restoration of substantial amounts
10 held under claim of right for the taxable year;

11 (Q) An amount equal to any amounts included in
12 such total, received by the taxpayer as an
13 acceleration in the payment of life, endowment or
14 annuity benefits in advance of the time they would
15 otherwise be payable as an indemnity for a terminal
16 illness;

17 (R) An amount equal to the amount of any federal or
18 State bonus paid to veterans of the Persian Gulf War;

19 (S) An amount, to the extent included in adjusted
20 gross income, equal to the amount of a contribution
21 made in the taxable year on behalf of the taxpayer to a
22 medical care savings account established under the
23 Medical Care Savings Account Act or the Medical Care
24 Savings Account Act of 2000 to the extent the
25 contribution is accepted by the account administrator
26 as provided in that Act;

1 (T) An amount, to the extent included in adjusted
2 gross income, equal to the amount of interest earned
3 in the taxable year on a medical care savings account
4 established under the Medical Care Savings Account Act
5 or the Medical Care Savings Account Act of 2000 on
6 behalf of the taxpayer, other than interest added
7 pursuant to item (D-5) of this paragraph (2);

8 (U) For one taxable year beginning on or after
9 January 1, 1994, an amount equal to the total amount of
10 tax imposed and paid under subsections (a) and (b) of
11 Section 201 of this Act on grant amounts received by
12 the taxpayer under the Nursing Home Grant Assistance
13 Act during the taxpayer's taxable years 1992 and 1993;

14 (V) Beginning with tax years ending on or after
15 December 31, 1995 and ending with tax years ending on
16 or before December 31, 2004, an amount equal to the
17 amount paid by a taxpayer who is a self-employed
18 taxpayer, a partner of a partnership, or a shareholder
19 in a Subchapter S corporation for health insurance or
20 long-term care insurance for that taxpayer or that
21 taxpayer's spouse or dependents, to the extent that
22 the amount paid for that health insurance or long-term
23 care insurance may be deducted under Section 213 of
24 the Internal Revenue Code, has not been deducted on
25 the federal income tax return of the taxpayer, and
26 does not exceed the taxable income attributable to

1 that taxpayer's income, self-employment income, or
2 Subchapter S corporation income; except that no
3 deduction shall be allowed under this item (V) if the
4 taxpayer is eligible to participate in any health
5 insurance or long-term care insurance plan of an
6 employer of the taxpayer or the taxpayer's spouse. The
7 amount of the health insurance and long-term care
8 insurance subtracted under this item (V) shall be
9 determined by multiplying total health insurance and
10 long-term care insurance premiums paid by the taxpayer
11 times a number that represents the fractional
12 percentage of eligible medical expenses under Section
13 213 of the Internal Revenue Code of 1986 not actually
14 deducted on the taxpayer's federal income tax return;

15 (W) For taxable years beginning on or after
16 January 1, 1998, all amounts included in the
17 taxpayer's federal gross income in the taxable year
18 from amounts converted from a regular IRA to a Roth
19 IRA. This paragraph is exempt from the provisions of
20 Section 250;

21 (X) For taxable year 1999 and thereafter, an
22 amount equal to the amount of any (i) distributions,
23 to the extent includible in gross income for federal
24 income tax purposes, made to the taxpayer because of
25 his or her status as a victim of persecution for racial
26 or religious reasons by Nazi Germany or any other Axis

1 regime or as an heir of the victim and (ii) items of
2 income, to the extent includible in gross income for
3 federal income tax purposes, attributable to, derived
4 from or in any way related to assets stolen from,
5 hidden from, or otherwise lost to a victim of
6 persecution for racial or religious reasons by Nazi
7 Germany or any other Axis regime immediately prior to,
8 during, and immediately after World War II, including,
9 but not limited to, interest on the proceeds
10 receivable as insurance under policies issued to a
11 victim of persecution for racial or religious reasons
12 by Nazi Germany or any other Axis regime by European
13 insurance companies immediately prior to and during
14 World War II; provided, however, this subtraction from
15 federal adjusted gross income does not apply to assets
16 acquired with such assets or with the proceeds from
17 the sale of such assets; provided, further, this
18 paragraph shall only apply to a taxpayer who was the
19 first recipient of such assets after their recovery
20 and who is a victim of persecution for racial or
21 religious reasons by Nazi Germany or any other Axis
22 regime or as an heir of the victim. The amount of and
23 the eligibility for any public assistance, benefit, or
24 similar entitlement is not affected by the inclusion
25 of items (i) and (ii) of this paragraph in gross income
26 for federal income tax purposes. This paragraph is

1 exempt from the provisions of Section 250;

2 (Y) For taxable years beginning on or after
3 January 1, 2002 and ending on or before December 31,
4 2004, moneys contributed in the taxable year to a
5 College Savings Pool account under Section 16.5 of the
6 State Treasurer Act, except that amounts excluded from
7 gross income under Section 529(c)(3)(C)(i) of the
8 Internal Revenue Code shall not be considered moneys
9 contributed under this subparagraph (Y). For taxable
10 years beginning on or after January 1, 2005, a maximum
11 of \$10,000 contributed in the taxable year to (i) a
12 College Savings Pool account under Section 16.5 of the
13 State Treasurer Act or (ii) the Illinois Prepaid
14 Tuition Trust Fund, except that amounts excluded from
15 gross income under Section 529(c)(3)(C)(i) of the
16 Internal Revenue Code shall not be considered moneys
17 contributed under this subparagraph (Y). For purposes
18 of this subparagraph, contributions made by an
19 employer on behalf of an employee, or matching
20 contributions made by an employee, shall be treated as
21 made by the employee. This subparagraph (Y) is exempt
22 from the provisions of Section 250;

23 (Z) For taxable years 2001 and thereafter, for the
24 taxable year in which the bonus depreciation deduction
25 is taken on the taxpayer's federal income tax return
26 under subsection (k) or (n) of Section 168 of the

1 Internal Revenue Code and for each applicable taxable
2 year thereafter, an amount equal to "x", where:

3 (1) "y" equals the amount of the depreciation
4 deduction taken for the taxable year on the
5 taxpayer's federal income tax return on property
6 for which the bonus depreciation deduction was
7 taken in any year under subsection (k) or (n) of
8 Section 168 of the Internal Revenue Code, but not
9 including the bonus depreciation deduction;

10 (2) for taxable years ending on or before
11 December 31, 2005, "x" equals "y" multiplied by 30
12 and then divided by 70 (or "y" multiplied by
13 0.429); and

14 (3) for taxable years ending after December
15 31, 2005:

16 (i) for property on which a bonus
17 depreciation deduction of 30% of the adjusted
18 basis was taken, "x" equals "y" multiplied by
19 30 and then divided by 70 (or "y" multiplied
20 by 0.429);

21 (ii) for property on which a bonus
22 depreciation deduction of 50% of the adjusted
23 basis was taken, "x" equals "y" multiplied by
24 1.0;

25 (iii) for property on which a bonus
26 depreciation deduction of 100% of the adjusted

1 basis was taken in a taxable year ending on or
2 after December 31, 2021, "x" equals the
3 depreciation deduction that would be allowed
4 on that property if the taxpayer had made the
5 election under Section 168(k)(7) or Section
6 168(n)(6) of the Internal Revenue Code to not
7 claim bonus depreciation on that property; and

8 (iv) for property on which a bonus
9 depreciation deduction of a percentage other
10 than 30%, 50% or 100% of the adjusted basis
11 was taken in a taxable year ending on or after
12 December 31, 2021, "x" equals "y" multiplied
13 by 100 times the percentage bonus depreciation
14 on the property (that is, $100(\text{bonus}\%)$) and
15 then divided by 100 times 1 minus the
16 percentage bonus depreciation on the property
17 (that is, $100(1-\text{bonus}\%)$).

18 The aggregate amount deducted under this
19 subparagraph in all taxable years for any one piece of
20 property may not exceed the amount of the bonus
21 depreciation deduction taken on that property on the
22 taxpayer's federal income tax return under subsection
23 (k) or (n) of Section 168 of the Internal Revenue Code.
24 This subparagraph (Z) is exempt from the provisions of
25 Section 250;

26 (AA) If the taxpayer sells, transfers, abandons,

1 or otherwise disposes of property for which the
2 taxpayer was required in any taxable year to make an
3 addition modification under subparagraph (D-15), then
4 an amount equal to that addition modification.

5 If the taxpayer continues to own property through
6 the last day of the last tax year for which a
7 subtraction is allowed with respect to that property
8 under subparagraph (Z) and for which the taxpayer was
9 required in any taxable year to make an addition
10 modification under subparagraph (D-15), then an amount
11 equal to that addition modification.

12 The taxpayer is allowed to take the deduction
13 under this subparagraph only once with respect to any
14 one piece of property.

15 This subparagraph (AA) is exempt from the
16 provisions of Section 250;

17 (BB) Any amount included in adjusted gross income,
18 other than salary, received by a driver in a
19 ridesharing arrangement using a motor vehicle;

20 (CC) The amount of (i) any interest income (net of
21 the deductions allocable thereto) taken into account
22 for the taxable year with respect to a transaction
23 with a taxpayer that is required to make an addition
24 modification with respect to such transaction under
25 Section 203(a) (2) (D-17), 203(b) (2) (E-12),
26 203(c) (2) (G-12), or 203(d) (2) (D-7), but not to exceed

1 the amount of that addition modification, and (ii) any
2 income from intangible property (net of the deductions
3 allocable thereto) taken into account for the taxable
4 year with respect to a transaction with a taxpayer
5 that is required to make an addition modification with
6 respect to such transaction under Section
7 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
8 203(d)(2)(D-8), but not to exceed the amount of that
9 addition modification. This subparagraph (CC) is
10 exempt from the provisions of Section 250;

11 (DD) An amount equal to the interest income taken
12 into account for the taxable year (net of the
13 deductions allocable thereto) with respect to
14 transactions with (i) a foreign person who would be a
15 member of the taxpayer's unitary business group but
16 for the fact that the foreign person's business
17 activity outside the United States is 80% or more of
18 that person's total business activity and (ii) for
19 taxable years ending on or after December 31, 2008, to
20 a person who would be a member of the same unitary
21 business group but for the fact that the person is
22 prohibited under Section 1501(a)(27) from being
23 included in the unitary business group because he or
24 she is ordinarily required to apportion business
25 income under different subsections of Section 304, but
26 not to exceed the addition modification required to be

1 made for the same taxable year under Section
2 203(a)(2)(D-17) for interest paid, accrued, or
3 incurred, directly or indirectly, to the same person.
4 This subparagraph (DD) is exempt from the provisions
5 of Section 250;

6 (EF) An amount equal to the income from intangible
7 property taken into account for the taxable year (net
8 of the deductions allocable thereto) with respect to
9 transactions with (i) a foreign person who would be a
10 member of the taxpayer's unitary business group but
11 for the fact that the foreign person's business
12 activity outside the United States is 80% or more of
13 that person's total business activity and (ii) for
14 taxable years ending on or after December 31, 2008, to
15 a person who would be a member of the same unitary
16 business group but for the fact that the person is
17 prohibited under Section 1501(a)(27) from being
18 included in the unitary business group because he or
19 she is ordinarily required to apportion business
20 income under different subsections of Section 304, but
21 not to exceed the addition modification required to be
22 made for the same taxable year under Section
23 203(a)(2)(D-18) for intangible expenses and costs
24 paid, accrued, or incurred, directly or indirectly, to
25 the same foreign person. This subparagraph (EF) is
26 exempt from the provisions of Section 250;

1 (FF) An amount equal to any amount awarded to the
2 taxpayer during the taxable year by the Court of
3 Claims under subsection (c) of Section 8 of the Court
4 of Claims Act for time unjustly served in a State
5 prison. This subparagraph (FF) is exempt from the
6 provisions of Section 250;

7 (GG) For taxable years ending on or after December
8 31, 2011, in the case of a taxpayer who was required to
9 add back any insurance premiums under Section
10 203(a)(2)(D-19), such taxpayer may elect to subtract
11 that part of a reimbursement received from the
12 insurance company equal to the amount of the expense
13 or loss (including expenses incurred by the insurance
14 company) that would have been taken into account as a
15 deduction for federal income tax purposes if the
16 expense or loss had been uninsured. If a taxpayer
17 makes the election provided for by this subparagraph
18 (GG), the insurer to which the premiums were paid must
19 add back to income the amount subtracted by the
20 taxpayer pursuant to this subparagraph (GG). This
21 subparagraph (GG) is exempt from the provisions of
22 Section 250;

23 (HH) For taxable years beginning on or after
24 January 1, 2018 and prior to January 1, 2028, a maximum
25 of \$10,000 contributed in the taxable year to a
26 qualified ABLE account under Section 16.6 of the State

1 Treasurer Act, except that amounts excluded from gross
2 income under Section 529(c)(3)(C)(i) or Section
3 529A(c)(1)(C) of the Internal Revenue Code shall not
4 be considered moneys contributed under this
5 subparagraph (HH). For purposes of this subparagraph
6 (HH), contributions made by an employer on behalf of
7 an employee, or matching contributions made by an
8 employee, shall be treated as made by the employee;

9 (II) For taxable years that begin on or after
10 January 1, 2021 and begin before January 1, 2026, the
11 amount that is included in the taxpayer's federal
12 adjusted gross income pursuant to Section 61 of the
13 Internal Revenue Code as discharge of indebtedness
14 attributable to student loan forgiveness and that is
15 not excluded from the taxpayer's federal adjusted
16 gross income pursuant to paragraph (5) of subsection
17 (f) of Section 108 of the Internal Revenue Code;

18 (JJ) For taxable years beginning on or after
19 January 1, 2023, for any cannabis establishment
20 operating in this State and licensed under the
21 Cannabis Regulation and Tax Act or any cannabis
22 cultivation center or medical cannabis dispensing
23 organization operating in this State and licensed
24 under the Compassionate Use of Medical Cannabis
25 Program Act, an amount equal to the deductions that
26 were disallowed under Section 280E of the Internal

1 Revenue Code for the taxable year and that would not be
2 added back under this subsection. The provisions of
3 this subparagraph (JJ) are exempt from the provisions
4 of Section 250;

5 (KK) To the extent includible in gross income for
6 federal income tax purposes, any amount awarded or
7 paid to the taxpayer as a result of a judgment or
8 settlement for fertility fraud as provided in Section
9 15 of the Illinois Fertility Fraud Act, donor
10 fertility fraud as provided in Section 20 of the
11 Illinois Fertility Fraud Act, or similar action in
12 another state;

13 (LL) For taxable years beginning on or after
14 January 1, 2026, if the taxpayer is a qualified
15 worker, as defined in the Workforce Development
16 through Charitable Loan Repayment Act, an amount equal
17 to the amount included in the taxpayer's federal
18 adjusted gross income that is attributable to student
19 loan repayment assistance received by the taxpayer
20 during the taxable year from a qualified community
21 foundation under the provisions of the Workforce
22 Development through Charitable Loan Repayment Act.

23 This subparagraph (LL) is exempt from the
24 provisions of Section 250; and

25 (MM) For taxable years beginning on or after
26 January 1, 2025, if the taxpayer is an eligible

1 resident as defined in the Medical Debt Relief Act, an
2 amount equal to the amount included in the taxpayer's
3 federal adjusted gross income that is attributable to
4 medical debt relief received by the taxpayer during
5 the taxable year from a nonprofit medical debt relief
6 coordinator under the provisions of the Medical Debt
7 Relief Act. This subparagraph (MM) is exempt from the
8 provisions of Section 250.

9 (b) Corporations.

10 (1) In general. In the case of a corporation, base
11 income means an amount equal to the taxpayer's taxable
12 income for the taxable year as modified by paragraph (2).

13 (2) Modifications. The taxable income referred to in
14 paragraph (1) shall be modified by adding thereto the sum
15 of the following amounts:

16 (A) An amount equal to all amounts paid or accrued
17 to the taxpayer as interest and all distributions
18 received from regulated investment companies during
19 the taxable year to the extent excluded from gross
20 income in the computation of taxable income;

21 (B) An amount equal to the amount of tax imposed by
22 this Act to the extent deducted from gross income in
23 the computation of taxable income for the taxable
24 year;

25 (C) In the case of a regulated investment company,

1 an amount equal to the excess of (i) the net long-term
2 capital gain for the taxable year, over (ii) the
3 amount of the capital gain dividends designated as
4 such in accordance with Section 852(b)(3)(C) of the
5 Internal Revenue Code and any amount designated under
6 Section 852(b)(3)(D) of the Internal Revenue Code,
7 attributable to the taxable year (this amendatory Act
8 of 1995 (Public Act 89-89) is declarative of existing
9 law and is not a new enactment);

10 (D) The amount of any net operating loss deduction
11 taken in arriving at taxable income, other than a net
12 operating loss carried forward from a taxable year
13 ending prior to December 31, 1986;

14 (E) For taxable years in which a net operating
15 loss carryback or carryforward from a taxable year
16 ending prior to December 31, 1986 is an element of
17 taxable income under paragraph (1) of subsection (e)
18 or subparagraph (E) of paragraph (2) of subsection
19 (e), the amount by which addition modifications other
20 than those provided by this subparagraph (E) exceeded
21 subtraction modifications in such earlier taxable
22 year, with the following limitations applied in the
23 order that they are listed:

24 (i) the addition modification relating to the
25 net operating loss carried back or forward to the
26 taxable year from any taxable year ending prior to

1 December 31, 1986 shall be reduced by the amount
2 of addition modification under this subparagraph
3 (E) which related to that net operating loss and
4 which was taken into account in calculating the
5 base income of an earlier taxable year, and

6 (ii) the addition modification relating to the
7 net operating loss carried back or forward to the
8 taxable year from any taxable year ending prior to
9 December 31, 1986 shall not exceed the amount of
10 such carryback or carryforward;

11 For taxable years in which there is a net
12 operating loss carryback or carryforward from more
13 than one other taxable year ending prior to December
14 31, 1986, the addition modification provided in this
15 subparagraph (E) shall be the sum of the amounts
16 computed independently under the preceding provisions
17 of this subparagraph (E) for each such taxable year;

18 (E-5) For taxable years ending after December 31,
19 1997, an amount equal to any eligible remediation
20 costs that the corporation deducted in computing
21 adjusted gross income and for which the corporation
22 claims a credit under subsection (l) of Section 201;

23 (E-10) For taxable years 2001 through 2025, an
24 amount equal to the bonus depreciation deduction taken
25 on the taxpayer's federal income tax return for the
26 taxable year under subsection (k) of Section 168 of

1 the Internal Revenue Code; for taxable years 2026 and
2 thereafter, an amount equal to the bonus depreciation
3 deduction taken on the taxpayer's federal income tax
4 return for the taxable year under subsection (k) or
5 (n) of Section 168 of the Internal Revenue Code;

6 (E-11) If the taxpayer sells, transfers, abandons,
7 or otherwise disposes of property for which the
8 taxpayer was required in any taxable year to make an
9 addition modification under subparagraph (E-10), then
10 an amount equal to the aggregate amount of the
11 deductions taken in all taxable years under
12 subparagraph (T) with respect to that property.

13 If the taxpayer continues to own property through
14 the last day of the last tax year for which a
15 subtraction is allowed with respect to that property
16 under subparagraph (T) and for which the taxpayer was
17 allowed in any taxable year to make a subtraction
18 modification under subparagraph (T), then an amount
19 equal to that subtraction modification.

20 The taxpayer is required to make the addition
21 modification under this subparagraph only once with
22 respect to any one piece of property;

23 (E-12) An amount equal to the amount otherwise
24 allowed as a deduction in computing base income for
25 interest paid, accrued, or incurred, directly or
26 indirectly, (i) for taxable years ending on or after

1 December 31, 2004, to a foreign person who would be a
2 member of the same unitary business group but for the
3 fact the foreign person's business activity outside
4 the United States is 80% or more of the foreign
5 person's total business activity and (ii) for taxable
6 years ending on or after December 31, 2008, to a person
7 who would be a member of the same unitary business
8 group but for the fact that the person is prohibited
9 under Section 1501(a)(27) from being included in the
10 unitary business group because he or she is ordinarily
11 required to apportion business income under different
12 subsections of Section 304. The addition modification
13 required by this subparagraph shall be reduced to the
14 extent that dividends were included in base income of
15 the unitary group for the same taxable year and
16 received by the taxpayer or by a member of the
17 taxpayer's unitary business group (including amounts
18 included in gross income pursuant to Sections 951
19 through 964 of the Internal Revenue Code and amounts
20 included in gross income under Section 78 of the
21 Internal Revenue Code) with respect to the stock of
22 the same person to whom the interest was paid,
23 accrued, or incurred. For taxable years ending on and
24 after December 31, 2025, for purposes of applying this
25 paragraph in the case of a taxpayer to which Section
26 163(j) of the Internal Revenue Code applies for the

1 taxable year, the reduction in the amount of interest
2 for which a deduction is allowed by reason of Section
3 163(j) shall be treated as allocable first to persons
4 who are not foreign persons referred to in this
5 paragraph and then to such foreign persons.

6 For taxable years ending before December 31, 2025,
7 this paragraph shall not apply to the following:

8 (i) an item of interest paid, accrued, or
9 incurred, directly or indirectly, to a person who
10 is subject in a foreign country or state, other
11 than a state which requires mandatory unitary
12 reporting, to a tax on or measured by net income
13 with respect to such interest; or

14 (ii) an item of interest paid, accrued, or
15 incurred, directly or indirectly, to a person if
16 the taxpayer can establish, based on a
17 preponderance of the evidence, both of the
18 following:

19 (a) the person, during the same taxable
20 year, paid, accrued, or incurred, the interest
21 to a person that is not a related member, and

22 (b) the transaction giving rise to the
23 interest expense between the taxpayer and the
24 person did not have as a principal purpose the
25 avoidance of Illinois income tax, and is paid
26 pursuant to a contract or agreement that

1 reflects an arm's-length interest rate and
2 terms; or

3 (iii) the taxpayer can establish, based on
4 clear and convincing evidence, that the interest
5 paid, accrued, or incurred relates to a contract
6 or agreement entered into at arm's-length rates
7 and terms and the principal purpose for the
8 payment is not federal or Illinois tax avoidance;
9 or

10 (iv) an item of interest paid, accrued, or
11 incurred, directly or indirectly, to a person if
12 the taxpayer establishes by clear and convincing
13 evidence that the adjustments are unreasonable; or
14 if the taxpayer and the Director agree in writing
15 to the application or use of an alternative method
16 of apportionment under Section 304(f).

17 For taxable years ending on or after December 31,
18 2025, this paragraph shall not apply to the following:

19 (i) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person if
21 the taxpayer can establish, based on a
22 preponderance of the evidence, both of the
23 following:

24 (a) the person, during the same taxable
25 year, paid, accrued, or incurred, the interest
26 to a person that is not a related member, and

1 (b) the transaction giving rise to the
2 interest expense between the taxpayer and the
3 person did not have as a principal purpose the
4 avoidance of Illinois income tax, and is paid
5 pursuant to a contract or agreement that
6 reflects an arm's-length interest rate and
7 terms; or

8 (ii) an item of interest paid, accrued, or
9 incurred, directly or indirectly, to a person if
10 the taxpayer establishes by clear and convincing
11 evidence that the adjustments are unreasonable; or
12 if the taxpayer and the Director agree in writing
13 to the application or use of an alternative method
14 of apportionment under Section 304(f).

15 Nothing in this subsection shall preclude the
16 Director from making any other adjustment otherwise
17 allowed under Section 404 of this Act for any tax year
18 beginning after the effective date of this amendment
19 provided such adjustment is made pursuant to
20 regulation adopted by the Department and such
21 regulations provide methods and standards by which the
22 Department will utilize its authority under Section
23 404 of this Act;

24 (E-13) An amount equal to the amount of intangible
25 expenses and costs otherwise allowed as a deduction in
26 computing base income, and that were paid, accrued, or

1 incurred, directly or indirectly, (i) for taxable
2 years ending on or after December 31, 2004, to a
3 foreign person who would be a member of the same
4 unitary business group but for the fact that the
5 foreign person's business activity outside the United
6 States is 80% or more of that person's total business
7 activity and (ii) for taxable years ending on or after
8 December 31, 2008, to a person who would be a member of
9 the same unitary business group but for the fact that
10 the person is prohibited under Section 1501(a)(27)
11 from being included in the unitary business group
12 because he or she is ordinarily required to apportion
13 business income under different subsections of Section
14 304. The addition modification required by this
15 subparagraph shall be reduced to the extent that
16 dividends were included in base income of the unitary
17 group for the same taxable year and received by the
18 taxpayer or by a member of the taxpayer's unitary
19 business group (including amounts included in gross
20 income pursuant to Sections 951 through 964 of the
21 Internal Revenue Code and amounts included in gross
22 income under Section 78 of the Internal Revenue Code)
23 with respect to the stock of the same person to whom
24 the intangible expenses and costs were directly or
25 indirectly paid, incurred, or accrued. The preceding
26 sentence shall not apply to the extent that the same

1 dividends caused a reduction to the addition
2 modification required under Section 203(b)(2)(E-12) of
3 this Act. As used in this subparagraph, the term
4 "intangible expenses and costs" includes (1) expenses,
5 losses, and costs for, or related to, the direct or
6 indirect acquisition, use, maintenance or management,
7 ownership, sale, exchange, or any other disposition of
8 intangible property; (2) losses incurred, directly or
9 indirectly, from factoring transactions or discounting
10 transactions; (3) royalty, patent, technical, and
11 copyright fees; (4) licensing fees; and (5) other
12 similar expenses and costs. For purposes of this
13 subparagraph, "intangible property" includes patents,
14 patent applications, trade names, trademarks, service
15 marks, copyrights, mask works, trade secrets, and
16 similar types of intangible assets.

17 For taxable years ending before December 31, 2025,
18 this paragraph shall not apply to the following:

19 (i) any item of intangible expenses or costs
20 paid, accrued, or incurred, directly or
21 indirectly, from a transaction with a person who
22 is subject in a foreign country or state, other
23 than a state which requires mandatory unitary
24 reporting, to a tax on or measured by net income
25 with respect to such item; or

26 (ii) any item of intangible expense or cost

1 paid, accrued, or incurred, directly or
2 indirectly, if the taxpayer can establish, based
3 on a preponderance of the evidence, both of the
4 following:

5 (a) the person during the same taxable
6 year paid, accrued, or incurred, the
7 intangible expense or cost to a person that is
8 not a related member, and

9 (b) the transaction giving rise to the
10 intangible expense or cost between the
11 taxpayer and the person did not have as a
12 principal purpose the avoidance of Illinois
13 income tax, and is paid pursuant to a contract
14 or agreement that reflects arm's-length terms;
15 or

16 (iii) any item of intangible expense or cost
17 paid, accrued, or incurred, directly or
18 indirectly, from a transaction with a person if
19 the taxpayer establishes by clear and convincing
20 evidence, that the adjustments are unreasonable;
21 or if the taxpayer and the Director agree in
22 writing to the application or use of an
23 alternative method of apportionment under Section
24 304(f);

25 For taxable years ending on or after December 31,
26 2025, this paragraph shall not apply to the following:

1 (i) any item of intangible expense or cost
2 paid, accrued, or incurred, directly or
3 indirectly, if the taxpayer can establish, based
4 on a preponderance of the evidence, both of the
5 following:

6 (a) the person during the same taxable
7 year paid, accrued, or incurred, the
8 intangible expense or cost to a person that is
9 not a related member, and

10 (b) the transaction giving rise to the
11 intangible expense or cost between the
12 taxpayer and the person did not have as a
13 principal purpose the avoidance of Illinois
14 income tax, and is paid pursuant to a contract
15 or agreement that reflects arm's-length terms;
16 or

17 (ii) any item of intangible expense or cost
18 paid, accrued, or incurred, directly or
19 indirectly, from a transaction with a person if
20 the taxpayer establishes by clear and convincing
21 evidence, that the adjustments are unreasonable;
22 or if the taxpayer and the Director agree in
23 writing to the application or use of an
24 alternative method of apportionment under Section
25 304(f).

26 Nothing in this subsection shall preclude the

1 Director from making any other adjustment otherwise
2 allowed under Section 404 of this Act for any tax year
3 beginning after the effective date of this amendment
4 provided such adjustment is made pursuant to
5 regulation adopted by the Department and such
6 regulations provide methods and standards by which the
7 Department will utilize its authority under Section
8 404 of this Act;

9 (E-14) For taxable years ending on or after
10 December 31, 2008, an amount equal to the amount of
11 insurance premium expenses and costs otherwise allowed
12 as a deduction in computing base income, and that were
13 paid, accrued, or incurred, directly or indirectly, to
14 a person who would be a member of the same unitary
15 business group but for the fact that the person is
16 prohibited under Section 1501(a)(27) from being
17 included in the unitary business group because he or
18 she is ordinarily required to apportion business
19 income under different subsections of Section 304. The
20 addition modification required by this subparagraph
21 shall be reduced to the extent that dividends were
22 included in base income of the unitary group for the
23 same taxable year and received by the taxpayer or by a
24 member of the taxpayer's unitary business group
25 (including amounts included in gross income under
26 Sections 951 through 964 of the Internal Revenue Code

1 and amounts included in gross income under Section 78
2 of the Internal Revenue Code) with respect to the
3 stock of the same person to whom the premiums and costs
4 were directly or indirectly paid, incurred, or
5 accrued. The preceding sentence does not apply to the
6 extent that the same dividends caused a reduction to
7 the addition modification required under Section
8 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this
9 Act;

10 (E-15) For taxable years beginning after December
11 31, 2008, any deduction for dividends paid by a
12 captive real estate investment trust that is allowed
13 to a real estate investment trust under Section
14 857(b)(2)(B) of the Internal Revenue Code for
15 dividends paid;

16 (E-16) An amount equal to the credit allowable to
17 the taxpayer under Section 218(a) of this Act,
18 determined without regard to Section 218(c) of this
19 Act;

20 (E-17) For taxable years ending on or after
21 December 31, 2017, an amount equal to the deduction
22 allowed under Section 199 of the Internal Revenue Code
23 for the taxable year;

24 (E-18) for taxable years beginning after December
25 31, 2018, an amount equal to the deduction allowed
26 under Section 250(a)(1)(A) of the Internal Revenue

1 Code for the taxable year;

2 (E-19) for taxable years ending on or after June
3 30, 2021, an amount equal to the deduction allowed
4 under Section 250(a)(1)(B)(i) of the Internal Revenue
5 Code for the taxable year;

6 (E-20) for taxable years ending on or after June
7 30, 2021, an amount equal to the deduction allowed
8 under Sections 243(e) and 245A(a) of the Internal
9 Revenue Code for the taxable year;

10 (E-21) the amount that is claimed as a federal
11 deduction when computing the taxpayer's federal
12 taxable income for the taxable year and that is
13 attributable to an endowment gift for which the
14 taxpayer receives a credit under the Illinois Gives
15 Tax Credit Act;

16 and by deducting from the total so obtained the sum of the
17 following amounts:

18 (F) An amount equal to the amount of any tax
19 imposed by this Act which was refunded to the taxpayer
20 and included in such total for the taxable year;

21 (G) An amount equal to any amount included in such
22 total under Section 78 of the Internal Revenue Code;

23 (H) In the case of a regulated investment company,
24 an amount equal to the amount of exempt interest
25 dividends as defined in subsection (b)(5) of Section
26 852 of the Internal Revenue Code, paid to shareholders

1 for the taxable year;

2 (I) With the exception of any amounts subtracted
3 under subparagraph (J), an amount equal to the sum of
4 all amounts disallowed as deductions by (i) Sections
5 171(a)(2) and 265(a)(2) and amounts disallowed as
6 interest expense by Section 291(a)(3) of the Internal
7 Revenue Code, and all amounts of expenses allocable to
8 interest and disallowed as deductions by Section
9 265(a)(1) of the Internal Revenue Code; and (ii) for
10 taxable years ending on or after August 13, 1999,
11 Sections 171(a)(2), 265, 280C, 291(a)(3), and
12 832(b)(5)(B)(i) of the Internal Revenue Code, plus,
13 for tax years ending on or after December 31, 2011,
14 amounts disallowed as deductions by Section 45G(e)(3)
15 of the Internal Revenue Code and, for taxable years
16 ending on or after December 31, 2008, any amount
17 included in gross income under Section 87 of the
18 Internal Revenue Code and the policyholders' share of
19 tax-exempt interest of a life insurance company under
20 Section 807(a)(2)(B) of the Internal Revenue Code (in
21 the case of a life insurance company with gross income
22 from a decrease in reserves for the tax year) or
23 Section 807(b)(1)(B) of the Internal Revenue Code (in
24 the case of a life insurance company allowed a
25 deduction for an increase in reserves for the tax
26 year); the provisions of this subparagraph are exempt

1 from the provisions of Section 250;

2 (J) An amount equal to all amounts included in
3 such total which are exempt from taxation by this
4 State either by reason of its statutes or Constitution
5 or by reason of the Constitution, treaties or statutes
6 of the United States; provided that, in the case of any
7 statute of this State that exempts income derived from
8 bonds or other obligations from the tax imposed under
9 this Act, the amount exempted shall be the interest
10 net of bond premium amortization;

11 (K) An amount equal to those dividends included in
12 such total which were paid by a corporation which
13 conducts business operations in a River Edge
14 Redevelopment Zone or zones created under the River
15 Edge Redevelopment Zone Act and conducts substantially
16 all of its operations in a River Edge Redevelopment
17 Zone or zones. This subparagraph (K) is exempt from
18 the provisions of Section 250;

19 (L) An amount equal to those dividends included in
20 such total that were paid by a corporation that
21 conducts business operations in a federally designated
22 Foreign Trade Zone or Sub-Zone and that is designated
23 a High Impact Business located in Illinois; provided
24 that dividends eligible for the deduction provided in
25 subparagraph (K) of paragraph 2 of this subsection
26 shall not be eligible for the deduction provided under

1 this subparagraph (L);

2 (M) For any taxpayer that is a financial
3 organization within the meaning of Section 304(c) of
4 this Act, an amount included in such total as interest
5 income from a loan or loans made by such taxpayer to a
6 borrower, to the extent that such a loan is secured by
7 property which is eligible for the River Edge
8 Redevelopment Zone Investment Credit. To determine the
9 portion of a loan or loans that is secured by property
10 eligible for a Section 201(f) investment credit to the
11 borrower, the entire principal amount of the loan or
12 loans between the taxpayer and the borrower should be
13 divided into the basis of the Section 201(f)
14 investment credit property which secures the loan or
15 loans, using for this purpose the original basis of
16 such property on the date that it was placed in service
17 in the River Edge Redevelopment Zone. The subtraction
18 modification available to the taxpayer in any year
19 under this subsection shall be that portion of the
20 total interest paid by the borrower with respect to
21 such loan attributable to the eligible property as
22 calculated under the previous sentence. This
23 subparagraph (M) is exempt from the provisions of
24 Section 250;

25 (M-1) For any taxpayer that is a financial
26 organization within the meaning of Section 304(c) of

1 this Act, an amount included in such total as interest
2 income from a loan or loans made by such taxpayer to a
3 borrower, to the extent that such a loan is secured by
4 property which is eligible for the High Impact
5 Business Investment Credit. To determine the portion
6 of a loan or loans that is secured by property eligible
7 for a Section 201(h) investment credit to the
8 borrower, the entire principal amount of the loan or
9 loans between the taxpayer and the borrower should be
10 divided into the basis of the Section 201(h)
11 investment credit property which secures the loan or
12 loans, using for this purpose the original basis of
13 such property on the date that it was placed in service
14 in a federally designated Foreign Trade Zone or
15 Sub-Zone located in Illinois. No taxpayer that is
16 eligible for the deduction provided in subparagraph
17 (M) of paragraph (2) of this subsection shall be
18 eligible for the deduction provided under this
19 subparagraph (M-1). The subtraction modification
20 available to taxpayers in any year under this
21 subsection shall be that portion of the total interest
22 paid by the borrower with respect to such loan
23 attributable to the eligible property as calculated
24 under the previous sentence;

25 (N) Two times any contribution made during the
26 taxable year to a designated zone organization to the

1 extent that the contribution (i) qualifies as a
2 charitable contribution under subsection (c) of
3 Section 170 of the Internal Revenue Code and (ii)
4 must, by its terms, be used for a project approved by
5 the Department of Commerce and Economic Opportunity
6 under Section 11 of the Illinois Enterprise Zone Act
7 or under Section 10-10 of the River Edge Redevelopment
8 Zone Act. This subparagraph (N) is exempt from the
9 provisions of Section 250;

10 (O) An amount equal to: (i) 85% for taxable years
11 ending on or before December 31, 1992, or, a
12 percentage equal to the percentage allowable under
13 Section 243(a)(1) of the Internal Revenue Code of 1986
14 for taxable years ending after December 31, 1992, of
15 the amount by which dividends included in taxable
16 income and received from a corporation that is not
17 created or organized under the laws of the United
18 States or any state or political subdivision thereof,
19 including, for taxable years ending on or after
20 December 31, 1988, dividends received or deemed
21 received or paid or deemed paid under Sections 951
22 through 965 of the Internal Revenue Code, exceed the
23 amount of the modification provided under subparagraph
24 (G) of paragraph (2) of this subsection (b) which is
25 related to such dividends, and including, for taxable
26 years ending on or after December 31, 2008, dividends

1 received from a captive real estate investment trust;
2 plus (ii) 100% of the amount by which dividends,
3 included in taxable income and received, including,
4 for taxable years ending on or after December 31,
5 1988, dividends received or deemed received or paid or
6 deemed paid under Sections 951 through 964 of the
7 Internal Revenue Code and including, for taxable years
8 ending on or after December 31, 2008, dividends
9 received from a captive real estate investment trust,
10 from any such corporation specified in clause (i) that
11 would but for the provisions of Section 1504(b)(3) of
12 the Internal Revenue Code be treated as a member of the
13 affiliated group which includes the dividend
14 recipient, exceed the amount of the modification
15 provided under subparagraph (G) of paragraph (2) of
16 this subsection (b) which is related to such
17 dividends. For taxable years ending on or after June
18 30, 2021, (i) for purposes of this subparagraph, the
19 term "dividend" does not include any amount treated as
20 a dividend under Section 1248 of the Internal Revenue
21 Code, and (ii) this subparagraph shall not apply to
22 dividends for which a deduction is allowed under
23 Section 245(a) of the Internal Revenue Code. For
24 taxable years ending on or after December 31, 2025,
25 50% of the amount of global intangible low-taxed
26 income or net controlled foreign corporation (CFC)

1 tested income received or deemed received or paid or
2 deemed paid under Sections 951 through 965 of the
3 Internal Revenue Code. This subparagraph (O) is exempt
4 from the provisions of Section 250 of this Act;

5 (P) An amount equal to any contribution made to a
6 job training project established pursuant to the Tax
7 Increment Allocation Redevelopment Act;

8 (Q) An amount equal to the amount of the deduction
9 used to compute the federal income tax credit for
10 restoration of substantial amounts held under claim of
11 right for the taxable year pursuant to Section 1341 of
12 the Internal Revenue Code;

13 (R) On and after July 20, 1999, in the case of an
14 attorney-in-fact with respect to whom an interinsurer
15 or a reciprocal insurer has made the election under
16 Section 835 of the Internal Revenue Code, 26 U.S.C.
17 835, an amount equal to the excess, if any, of the
18 amounts paid or incurred by that interinsurer or
19 reciprocal insurer in the taxable year to the
20 attorney-in-fact over the deduction allowed to that
21 interinsurer or reciprocal insurer with respect to the
22 attorney-in-fact under Section 835(b) of the Internal
23 Revenue Code for the taxable year; the provisions of
24 this subparagraph are exempt from the provisions of
25 Section 250;

26 (S) For taxable years ending on or after December

1 31, 1997, in the case of a Subchapter S corporation, an
2 amount equal to all amounts of income allocable to a
3 shareholder subject to the Personal Property Tax
4 Replacement Income Tax imposed by subsections (c) and
5 (d) of Section 201 of this Act, including amounts
6 allocable to organizations exempt from federal income
7 tax by reason of Section 501(a) of the Internal
8 Revenue Code. This subparagraph (S) is exempt from the
9 provisions of Section 250;

10 (T) For taxable years 2001 and thereafter, for the
11 taxable year in which the bonus depreciation deduction
12 is taken on the taxpayer's federal income tax return
13 under subsection (k) or (n) of Section 168 of the
14 Internal Revenue Code and for each applicable taxable
15 year thereafter, an amount equal to "x", where:

16 (1) "y" equals the amount of the depreciation
17 deduction taken for the taxable year on the
18 taxpayer's federal income tax return on property
19 for which the bonus depreciation deduction was
20 taken in any year under subsection (k) or (n) of
21 Section 168 of the Internal Revenue Code, but not
22 including the bonus depreciation deduction;

23 (2) for taxable years ending on or before
24 December 31, 2005, "x" equals "y" multiplied by 30
25 and then divided by 70 (or "y" multiplied by
26 0.429); and

1 (3) for taxable years ending after December
2 31, 2005:

3 (i) for property on which a bonus
4 depreciation deduction of 30% of the adjusted
5 basis was taken, "x" equals "y" multiplied by
6 30 and then divided by 70 (or "y" multiplied
7 by 0.429);

8 (ii) for property on which a bonus
9 depreciation deduction of 50% of the adjusted
10 basis was taken, "x" equals "y" multiplied by
11 1.0;

12 (iii) for property on which a bonus
13 depreciation deduction of 100% of the adjusted
14 basis was taken in a taxable year ending on or
15 after December 31, 2021, "x" equals the
16 depreciation deduction that would be allowed
17 on that property if the taxpayer had made the
18 election under Section 168(k)(7) or Section
19 168(n)(6) of the Internal Revenue Code to not
20 claim bonus depreciation on that property; and

21 (iv) for property on which a bonus
22 depreciation deduction of a percentage other
23 than 30%, 50% or 100% of the adjusted basis
24 was taken in a taxable year ending on or after
25 December 31, 2021, "x" equals "y" multiplied
26 by 100 times the percentage bonus depreciation

1 on the property (that is, $100(\text{bonus}\%)$) and
2 then divided by 100 times 1 minus the
3 percentage bonus depreciation on the property
4 (that is, $100(1-\text{bonus}\%)$).

5 The aggregate amount deducted under this
6 subparagraph in all taxable years for any one piece of
7 property may not exceed the amount of the bonus
8 depreciation deduction taken on that property on the
9 taxpayer's federal income tax return under subsection
10 (k) or (n) of Section 168 of the Internal Revenue Code.
11 This subparagraph (T) is exempt from the provisions of
12 Section 250;

13 (U) If the taxpayer sells, transfers, abandons, or
14 otherwise disposes of property for which the taxpayer
15 was required in any taxable year to make an addition
16 modification under subparagraph (E-10), then an amount
17 equal to that addition modification.

18 If the taxpayer continues to own property through
19 the last day of the last tax year for which a
20 subtraction is allowed with respect to that property
21 under subparagraph (T) and for which the taxpayer was
22 required in any taxable year to make an addition
23 modification under subparagraph (E-10), then an amount
24 equal to that addition modification.

25 The taxpayer is allowed to take the deduction
26 under this subparagraph only once with respect to any

1 one piece of property.

2 This subparagraph (U) is exempt from the
3 provisions of Section 250;

4 (V) The amount of: (i) any interest income (net of
5 the deductions allocable thereto) taken into account
6 for the taxable year with respect to a transaction
7 with a taxpayer that is required to make an addition
8 modification with respect to such transaction under
9 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
10 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
11 the amount of such addition modification, (ii) any
12 income from intangible property (net of the deductions
13 allocable thereto) taken into account for the taxable
14 year with respect to a transaction with a taxpayer
15 that is required to make an addition modification with
16 respect to such transaction under Section
17 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
18 203(d)(2)(D-8), but not to exceed the amount of such
19 addition modification, and (iii) any insurance premium
20 income (net of deductions allocable thereto) taken
21 into account for the taxable year with respect to a
22 transaction with a taxpayer that is required to make
23 an addition modification with respect to such
24 transaction under Section 203(a)(2)(D-19), Section
25 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section
26 203(d)(2)(D-9), but not to exceed the amount of that

1 addition modification. This subparagraph (V) is exempt
2 from the provisions of Section 250;

3 (W) An amount equal to the interest income taken
4 into account for the taxable year (net of the
5 deductions allocable thereto) with respect to
6 transactions with (i) a foreign person who would be a
7 member of the taxpayer's unitary business group but
8 for the fact that the foreign person's business
9 activity outside the United States is 80% or more of
10 that person's total business activity and (ii) for
11 taxable years ending on or after December 31, 2008, to
12 a person who would be a member of the same unitary
13 business group but for the fact that the person is
14 prohibited under Section 1501(a)(27) from being
15 included in the unitary business group because he or
16 she is ordinarily required to apportion business
17 income under different subsections of Section 304, but
18 not to exceed the addition modification required to be
19 made for the same taxable year under Section
20 203(b)(2)(E-12) for interest paid, accrued, or
21 incurred, directly or indirectly, to the same person.
22 This subparagraph (W) is exempt from the provisions of
23 Section 250;

24 (X) An amount equal to the income from intangible
25 property taken into account for the taxable year (net
26 of the deductions allocable thereto) with respect to

1 transactions with (i) a foreign person who would be a
2 member of the taxpayer's unitary business group but
3 for the fact that the foreign person's business
4 activity outside the United States is 80% or more of
5 that person's total business activity and (ii) for
6 taxable years ending on or after December 31, 2008, to
7 a person who would be a member of the same unitary
8 business group but for the fact that the person is
9 prohibited under Section 1501(a)(27) from being
10 included in the unitary business group because he or
11 she is ordinarily required to apportion business
12 income under different subsections of Section 304, but
13 not to exceed the addition modification required to be
14 made for the same taxable year under Section
15 203(b)(2)(E-13) for intangible expenses and costs
16 paid, accrued, or incurred, directly or indirectly, to
17 the same foreign person. This subparagraph (X) is
18 exempt from the provisions of Section 250;

19 (Y) For taxable years ending on or after December
20 31, 2011, in the case of a taxpayer who was required to
21 add back any insurance premiums under Section
22 203(b)(2)(E-14), such taxpayer may elect to subtract
23 that part of a reimbursement received from the
24 insurance company equal to the amount of the expense
25 or loss (including expenses incurred by the insurance
26 company) that would have been taken into account as a

1 deduction for federal income tax purposes if the
2 expense or loss had been uninsured. If a taxpayer
3 makes the election provided for by this subparagraph
4 (Y), the insurer to which the premiums were paid must
5 add back to income the amount subtracted by the
6 taxpayer pursuant to this subparagraph (Y). This
7 subparagraph (Y) is exempt from the provisions of
8 Section 250;

9 (Z) The difference between the nondeductible
10 controlled foreign corporation dividends under Section
11 965(e)(3) of the Internal Revenue Code over the
12 taxable income of the taxpayer, computed without
13 regard to Section 965(e)(2)(A) of the Internal Revenue
14 Code, and without regard to any net operating loss
15 deduction. This subparagraph (Z) is exempt from the
16 provisions of Section 250; and

17 (AA) For taxable years beginning on or after
18 January 1, 2023, for any cannabis establishment
19 operating in this State and licensed under the
20 Cannabis Regulation and Tax Act or any cannabis
21 cultivation center or medical cannabis dispensing
22 organization operating in this State and licensed
23 under the Compassionate Use of Medical Cannabis
24 Program Act, an amount equal to the deductions that
25 were disallowed under Section 280E of the Internal
26 Revenue Code for the taxable year and that would not be

1 added back under this subsection. The provisions of
2 this subparagraph (AA) are exempt from the provisions
3 of Section 250.

4 (3) Special rule. For purposes of paragraph (2)(A),
5 "gross income" in the case of a life insurance company,
6 for tax years ending on and after December 31, 1994, and
7 prior to December 31, 2011, shall mean the gross
8 investment income for the taxable year and, for tax years
9 ending on or after December 31, 2011, shall mean all
10 amounts included in life insurance gross income under
11 Section 803(a)(3) of the Internal Revenue Code.

12 (c) Trusts and estates.

13 (1) In general. In the case of a trust or estate, base
14 income means an amount equal to the taxpayer's taxable
15 income for the taxable year as modified by paragraph (2).

16 (2) Modifications. Subject to the provisions of
17 paragraph (3), the taxable income referred to in paragraph
18 (1) shall be modified by adding thereto the sum of the
19 following amounts:

20 (A) An amount equal to all amounts paid or accrued
21 to the taxpayer as interest or dividends during the
22 taxable year to the extent excluded from gross income
23 in the computation of taxable income;

24 (B) In the case of (i) an estate, \$600; (ii) a
25 trust which, under its governing instrument, is

1 required to distribute all of its income currently,
2 \$300; and (iii) any other trust, \$100, but in each such
3 case, only to the extent such amount was deducted in
4 the computation of taxable income;

5 (C) An amount equal to the amount of tax imposed by
6 this Act to the extent deducted from gross income in
7 the computation of taxable income for the taxable
8 year;

9 (D) The amount of any net operating loss deduction
10 taken in arriving at taxable income, other than a net
11 operating loss carried forward from a taxable year
12 ending prior to December 31, 1986;

13 (E) For taxable years in which a net operating
14 loss carryback or carryforward from a taxable year
15 ending prior to December 31, 1986 is an element of
16 taxable income under paragraph (1) of subsection (e)
17 or subparagraph (E) of paragraph (2) of subsection
18 (e), the amount by which addition modifications other
19 than those provided by this subparagraph (E) exceeded
20 subtraction modifications in such taxable year, with
21 the following limitations applied in the order that
22 they are listed:

23 (i) the addition modification relating to the
24 net operating loss carried back or forward to the
25 taxable year from any taxable year ending prior to
26 December 31, 1986 shall be reduced by the amount

1 of addition modification under this subparagraph
2 (E) which related to that net operating loss and
3 which was taken into account in calculating the
4 base income of an earlier taxable year, and

5 (ii) the addition modification relating to the
6 net operating loss carried back or forward to the
7 taxable year from any taxable year ending prior to
8 December 31, 1986 shall not exceed the amount of
9 such carryback or carryforward;

10 For taxable years in which there is a net
11 operating loss carryback or carryforward from more
12 than one other taxable year ending prior to December
13 31, 1986, the addition modification provided in this
14 subparagraph (E) shall be the sum of the amounts
15 computed independently under the preceding provisions
16 of this subparagraph (E) for each such taxable year;

17 (F) For taxable years ending on or after January
18 1, 1989, an amount equal to the tax deducted pursuant
19 to Section 164 of the Internal Revenue Code if the
20 trust or estate is claiming the same tax for purposes
21 of the Illinois foreign tax credit under Section 601
22 of this Act;

23 (G) An amount equal to the amount of the capital
24 gain deduction allowable under the Internal Revenue
25 Code, to the extent deducted from gross income in the
26 computation of taxable income;

1 (G-5) For taxable years ending after December 31,
2 1997, an amount equal to any eligible remediation
3 costs that the trust or estate deducted in computing
4 adjusted gross income and for which the trust or
5 estate claims a credit under subsection (l) of Section
6 201;

7 (G-10) For taxable years 2001 through 2025, an
8 amount equal to the bonus depreciation deduction taken
9 on the taxpayer's federal income tax return for the
10 taxable year under subsection (k) of Section 168 of
11 the Internal Revenue Code; for taxable years 2026 and
12 thereafter, an amount equal to the bonus depreciation
13 deduction taken on the taxpayer's federal income tax
14 return for the taxable year under subsection (k) or
15 (n) of Section 168 of the Internal Revenue Code; and

16 (G-11) If the taxpayer sells, transfers, abandons,
17 or otherwise disposes of property for which the
18 taxpayer was required in any taxable year to make an
19 addition modification under subparagraph (G-10), then
20 an amount equal to the aggregate amount of the
21 deductions taken in all taxable years under
22 subparagraph (R) with respect to that property.

23 If the taxpayer continues to own property through
24 the last day of the last tax year for which a
25 subtraction is allowed with respect to that property
26 under subparagraph (R) and for which the taxpayer was

1 allowed in any taxable year to make a subtraction
2 modification under subparagraph (R), then an amount
3 equal to that subtraction modification.

4 The taxpayer is required to make the addition
5 modification under this subparagraph only once with
6 respect to any one piece of property;

7 (G-12) An amount equal to the amount otherwise
8 allowed as a deduction in computing base income for
9 interest paid, accrued, or incurred, directly or
10 indirectly, (i) for taxable years ending on or after
11 December 31, 2004, to a foreign person who would be a
12 member of the same unitary business group but for the
13 fact that the foreign person's business activity
14 outside the United States is 80% or more of the foreign
15 person's total business activity and (ii) for taxable
16 years ending on or after December 31, 2008, to a person
17 who would be a member of the same unitary business
18 group but for the fact that the person is prohibited
19 under Section 1501(a)(27) from being included in the
20 unitary business group because he or she is ordinarily
21 required to apportion business income under different
22 subsections of Section 304. The addition modification
23 required by this subparagraph shall be reduced to the
24 extent that dividends were included in base income of
25 the unitary group for the same taxable year and
26 received by the taxpayer or by a member of the

1 taxpayer's unitary business group (including amounts
2 included in gross income pursuant to Sections 951
3 through 964 of the Internal Revenue Code and amounts
4 included in gross income under Section 78 of the
5 Internal Revenue Code) with respect to the stock of
6 the same person to whom the interest was paid,
7 accrued, or incurred. For taxable years ending on and
8 after December 31, 2025, for purposes of applying this
9 paragraph in the case of a taxpayer to which Section
10 163(j) of the Internal Revenue Code applies for the
11 taxable year, the reduction in the amount of interest
12 for which a deduction is allowed by reason of Section
13 163(j) shall be treated as allocable first to persons
14 who are not foreign persons referred to in this
15 paragraph and then to such foreign persons.

16 For taxable years ending before December 31, 2025,
17 this paragraph shall not apply to the following:

18 (i) an item of interest paid, accrued, or
19 incurred, directly or indirectly, to a person who
20 is subject in a foreign country or state, other
21 than a state which requires mandatory unitary
22 reporting, to a tax on or measured by net income
23 with respect to such interest; or

24 (ii) an item of interest paid, accrued, or
25 incurred, directly or indirectly, to a person if
26 the taxpayer can establish, based on a

1 preponderance of the evidence, both of the
2 following:

3 (a) the person, during the same taxable
4 year, paid, accrued, or incurred, the interest
5 to a person that is not a related member, and

6 (b) the transaction giving rise to the
7 interest expense between the taxpayer and the
8 person did not have as a principal purpose the
9 avoidance of Illinois income tax, and is paid
10 pursuant to a contract or agreement that
11 reflects an arm's-length interest rate and
12 terms; or

13 (iii) the taxpayer can establish, based on
14 clear and convincing evidence, that the interest
15 paid, accrued, or incurred relates to a contract
16 or agreement entered into at arm's-length rates
17 and terms and the principal purpose for the
18 payment is not federal or Illinois tax avoidance;
19 or

20 (iv) an item of interest paid, accrued, or
21 incurred, directly or indirectly, to a person if
22 the taxpayer establishes by clear and convincing
23 evidence that the adjustments are unreasonable; or
24 if the taxpayer and the Director agree in writing
25 to the application or use of an alternative method
26 of apportionment under Section 304(f).

1 For taxable years ending on or after December 31,
2 2025, this paragraph shall not apply to the following:

3 (i) an item of interest paid, accrued, or
4 incurred, directly or indirectly, to a person if
5 the taxpayer can establish, based on a
6 preponderance of the evidence, both of the
7 following:

8 (a) the person, during the same taxable
9 year, paid, accrued, or incurred, the interest
10 to a person that is not a related member, and

11 (b) the transaction giving rise to the
12 interest expense between the taxpayer and the
13 person did not have as a principal purpose the
14 avoidance of Illinois income tax, and is paid
15 pursuant to a contract or agreement that
16 reflects an arm's-length interest rate and
17 terms; or

18 (ii) an item of interest paid, accrued, or
19 incurred, directly or indirectly, to a person if
20 the taxpayer establishes by clear and convincing
21 evidence that the adjustments are unreasonable; or
22 if the taxpayer and the Director agree in writing
23 to the application or use of an alternative method
24 of apportionment under Section 304(f).

25 Nothing in this subsection shall preclude the
26 Director from making any other adjustment otherwise

1 allowed under Section 404 of this Act for any tax year
2 beginning after the effective date of this amendment
3 provided such adjustment is made pursuant to
4 regulation adopted by the Department and such
5 regulations provide methods and standards by which the
6 Department will utilize its authority under Section
7 404 of this Act;

8 (G-13) An amount equal to the amount of intangible
9 expenses and costs otherwise allowed as a deduction in
10 computing base income, and that were paid, accrued, or
11 incurred, directly or indirectly, (i) for taxable
12 years ending on or after December 31, 2004, to a
13 foreign person who would be a member of the same
14 unitary business group but for the fact that the
15 foreign person's business activity outside the United
16 States is 80% or more of that person's total business
17 activity and (ii) for taxable years ending on or after
18 December 31, 2008, to a person who would be a member of
19 the same unitary business group but for the fact that
20 the person is prohibited under Section 1501(a)(27)
21 from being included in the unitary business group
22 because he or she is ordinarily required to apportion
23 business income under different subsections of Section
24 304. The addition modification required by this
25 subparagraph shall be reduced to the extent that
26 dividends were included in base income of the unitary

1 group for the same taxable year and received by the
2 taxpayer or by a member of the taxpayer's unitary
3 business group (including amounts included in gross
4 income pursuant to Sections 951 through 964 of the
5 Internal Revenue Code and amounts included in gross
6 income under Section 78 of the Internal Revenue Code)
7 with respect to the stock of the same person to whom
8 the intangible expenses and costs were directly or
9 indirectly paid, incurred, or accrued. The preceding
10 sentence shall not apply to the extent that the same
11 dividends caused a reduction to the addition
12 modification required under Section 203(c)(2)(G-12) of
13 this Act. As used in this subparagraph, the term
14 "intangible expenses and costs" includes: (1)
15 expenses, losses, and costs for or related to the
16 direct or indirect acquisition, use, maintenance or
17 management, ownership, sale, exchange, or any other
18 disposition of intangible property; (2) losses
19 incurred, directly or indirectly, from factoring
20 transactions or discounting transactions; (3) royalty,
21 patent, technical, and copyright fees; (4) licensing
22 fees; and (5) other similar expenses and costs. For
23 purposes of this subparagraph, "intangible property"
24 includes patents, patent applications, trade names,
25 trademarks, service marks, copyrights, mask works,
26 trade secrets, and similar types of intangible assets.

1 For taxable years ending before December 31, 2025,
2 this paragraph shall not apply to the following:

3 (i) any item of intangible expenses or costs
4 paid, accrued, or incurred, directly or
5 indirectly, from a transaction with a person who
6 is subject in a foreign country or state, other
7 than a state which requires mandatory unitary
8 reporting, to a tax on or measured by net income
9 with respect to such item; or

10 (ii) any item of intangible expense or cost
11 paid, accrued, or incurred, directly or
12 indirectly, if the taxpayer can establish, based
13 on a preponderance of the evidence, both of the
14 following:

15 (a) the person during the same taxable
16 year paid, accrued, or incurred, the
17 intangible expense or cost to a person that is
18 not a related member, and

19 (b) the transaction giving rise to the
20 intangible expense or cost between the
21 taxpayer and the person did not have as a
22 principal purpose the avoidance of Illinois
23 income tax, and is paid pursuant to a contract
24 or agreement that reflects arm's-length terms;
25 or

26 (iii) any item of intangible expense or cost

1 paid, accrued, or incurred, directly or
2 indirectly, from a transaction with a person if
3 the taxpayer establishes by clear and convincing
4 evidence, that the adjustments are unreasonable;
5 or if the taxpayer and the Director agree in
6 writing to the application or use of an
7 alternative method of apportionment under Section
8 304(f);

9 For taxable years ending on or after December 31,
10 2025, this paragraph shall not apply to the following:

11 (i) any item of intangible expense or cost
12 paid, accrued, or incurred, directly or
13 indirectly, if the taxpayer can establish, based
14 on a preponderance of the evidence, both of the
15 following:

16 (a) the person during the same taxable
17 year paid, accrued, or incurred, the
18 intangible expense or cost to a person that is
19 not a related member, and

20 (b) the transaction giving rise to the
21 intangible expense or cost between the
22 taxpayer and the person did not have as a
23 principal purpose the avoidance of Illinois
24 income tax, and is paid pursuant to a contract
25 or agreement that reflects arm's-length terms;
26 or

1 (ii) any item of intangible expense or cost
2 paid, accrued, or incurred, directly or
3 indirectly, from a transaction with a person if
4 the taxpayer establishes by clear and convincing
5 evidence, that the adjustments are unreasonable;
6 or if the taxpayer and the Director agree in
7 writing to the application or use of an
8 alternative method of apportionment under Section
9 304(f).

10 Nothing in this subsection shall preclude the
11 Director from making any other adjustment otherwise
12 allowed under Section 404 of this Act for any tax year
13 beginning after the effective date of this amendment
14 provided such adjustment is made pursuant to
15 regulation adopted by the Department and such
16 regulations provide methods and standards by which the
17 Department will utilize its authority under Section
18 404 of this Act;

19 (G-14) For taxable years ending on or after
20 December 31, 2008, an amount equal to the amount of
21 insurance premium expenses and costs otherwise allowed
22 as a deduction in computing base income, and that were
23 paid, accrued, or incurred, directly or indirectly, to
24 a person who would be a member of the same unitary
25 business group but for the fact that the person is
26 prohibited under Section 1501(a)(27) from being

1 included in the unitary business group because he or
2 she is ordinarily required to apportion business
3 income under different subsections of Section 304. The
4 addition modification required by this subparagraph
5 shall be reduced to the extent that dividends were
6 included in base income of the unitary group for the
7 same taxable year and received by the taxpayer or by a
8 member of the taxpayer's unitary business group
9 (including amounts included in gross income under
10 Sections 951 through 964 of the Internal Revenue Code
11 and amounts included in gross income under Section 78
12 of the Internal Revenue Code) with respect to the
13 stock of the same person to whom the premiums and costs
14 were directly or indirectly paid, incurred, or
15 accrued. The preceding sentence does not apply to the
16 extent that the same dividends caused a reduction to
17 the addition modification required under Section
18 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this
19 Act;

20 (G-15) An amount equal to the credit allowable to
21 the taxpayer under Section 218(a) of this Act,
22 determined without regard to Section 218(c) of this
23 Act;

24 (G-16) For taxable years ending on or after
25 December 31, 2017, an amount equal to the deduction
26 allowed under Section 199 of the Internal Revenue Code

1 for the taxable year;

2 (G-17) the amount that is claimed as a federal
3 deduction when computing the taxpayer's federal
4 taxable income for the taxable year and that is
5 attributable to an endowment gift for which the
6 taxpayer receives a credit under the Illinois Gives
7 Tax Credit Act;

8 (G-18) For taxable years ending on and after
9 December 31, 2026, an amount equal to the amount of
10 gain excluded from gross income under Section 1202 of
11 the Internal Revenue Code;

12 and by deducting from the total so obtained the sum of the
13 following amounts:

14 (H) An amount equal to all amounts included in
15 such total pursuant to the provisions of Sections
16 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408
17 of the Internal Revenue Code or included in such total
18 as distributions under the provisions of any
19 retirement or disability plan for employees of any
20 governmental agency or unit, or retirement payments to
21 retired partners, which payments are excluded in
22 computing net earnings from self employment by Section
23 1402 of the Internal Revenue Code and regulations
24 adopted pursuant thereto;

25 (I) The valuation limitation amount;

26 (J) An amount equal to the amount of any tax

1 imposed by this Act which was refunded to the taxpayer
2 and included in such total for the taxable year;

3 (K) An amount equal to all amounts included in
4 taxable income as modified by subparagraphs (A), (B),
5 (C), (D), (E), (F) and (G) which are exempt from
6 taxation by this State either by reason of its
7 statutes or Constitution or by reason of the
8 Constitution, treaties or statutes of the United
9 States; provided that, in the case of any statute of
10 this State that exempts income derived from bonds or
11 other obligations from the tax imposed under this Act,
12 the amount exempted shall be the interest net of bond
13 premium amortization;

14 (L) With the exception of any amounts subtracted
15 under subparagraph (K), an amount equal to the sum of
16 all amounts disallowed as deductions by (i) Sections
17 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
18 and all amounts of expenses allocable to interest and
19 disallowed as deductions by Section 265(a)(1) of the
20 Internal Revenue Code; and (ii) for taxable years
21 ending on or after August 13, 1999, Sections
22 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the
23 Internal Revenue Code, plus, (iii) for taxable years
24 ending on or after December 31, 2011, Section
25 45G(e)(3) of the Internal Revenue Code and, for
26 taxable years ending on or after December 31, 2008,

1 any amount included in gross income under Section 87
2 of the Internal Revenue Code; the provisions of this
3 subparagraph are exempt from the provisions of Section
4 250;

5 (M) An amount equal to those dividends included in
6 such total which were paid by a corporation which
7 conducts business operations in a River Edge
8 Redevelopment Zone or zones created under the River
9 Edge Redevelopment Zone Act and conducts substantially
10 all of its operations in a River Edge Redevelopment
11 Zone or zones. This subparagraph (M) is exempt from
12 the provisions of Section 250;

13 (N) An amount equal to any contribution made to a
14 job training project established pursuant to the Tax
15 Increment Allocation Redevelopment Act;

16 (O) An amount equal to those dividends included in
17 such total that were paid by a corporation that
18 conducts business operations in a federally designated
19 Foreign Trade Zone or Sub-Zone and that is designated
20 a High Impact Business located in Illinois; provided
21 that dividends eligible for the deduction provided in
22 subparagraph (M) of paragraph (2) of this subsection
23 shall not be eligible for the deduction provided under
24 this subparagraph (O);

25 (P) An amount equal to the amount of the deduction
26 used to compute the federal income tax credit for

1 restoration of substantial amounts held under claim of
2 right for the taxable year pursuant to Section 1341 of
3 the Internal Revenue Code;

4 (Q) For taxable year 1999 and thereafter, an
5 amount equal to the amount of any (i) distributions,
6 to the extent includible in gross income for federal
7 income tax purposes, made to the taxpayer because of
8 his or her status as a victim of persecution for racial
9 or religious reasons by Nazi Germany or any other Axis
10 regime or as an heir of the victim and (ii) items of
11 income, to the extent includible in gross income for
12 federal income tax purposes, attributable to, derived
13 from or in any way related to assets stolen from,
14 hidden from, or otherwise lost to a victim of
15 persecution for racial or religious reasons by Nazi
16 Germany or any other Axis regime immediately prior to,
17 during, and immediately after World War II, including,
18 but not limited to, interest on the proceeds
19 receivable as insurance under policies issued to a
20 victim of persecution for racial or religious reasons
21 by Nazi Germany or any other Axis regime by European
22 insurance companies immediately prior to and during
23 World War II; provided, however, this subtraction from
24 federal adjusted gross income does not apply to assets
25 acquired with such assets or with the proceeds from
26 the sale of such assets; provided, further, this

1 paragraph shall only apply to a taxpayer who was the
2 first recipient of such assets after their recovery
3 and who is a victim of persecution for racial or
4 religious reasons by Nazi Germany or any other Axis
5 regime or as an heir of the victim. The amount of and
6 the eligibility for any public assistance, benefit, or
7 similar entitlement is not affected by the inclusion
8 of items (i) and (ii) of this paragraph in gross income
9 for federal income tax purposes. This paragraph is
10 exempt from the provisions of Section 250;

11 (R) For taxable years 2001 and thereafter, for the
12 taxable year in which the bonus depreciation deduction
13 is taken on the taxpayer's federal income tax return
14 under subsection (k) or (n) of Section 168 of the
15 Internal Revenue Code and for each applicable taxable
16 year thereafter, an amount equal to "x", where:

17 (1) "y" equals the amount of the depreciation
18 deduction taken for the taxable year on the
19 taxpayer's federal income tax return on property
20 for which the bonus depreciation deduction was
21 taken in any year under subsection (k) or (n) of
22 Section 168 of the Internal Revenue Code, but not
23 including the bonus depreciation deduction;

24 (2) for taxable years ending on or before
25 December 31, 2005, "x" equals "y" multiplied by 30
26 and then divided by 70 (or "y" multiplied by

1 0.429); and

2 (3) for taxable years ending after December
3 31, 2005:

4 (i) for property on which a bonus
5 depreciation deduction of 30% of the adjusted
6 basis was taken, "x" equals "y" multiplied by
7 30 and then divided by 70 (or "y" multiplied
8 by 0.429);

9 (ii) for property on which a bonus
10 depreciation deduction of 50% of the adjusted
11 basis was taken, "x" equals "y" multiplied by
12 1.0;

13 (iii) for property on which a bonus
14 depreciation deduction of 100% of the adjusted
15 basis was taken in a taxable year ending on or
16 after December 31, 2021, "x" equals the
17 depreciation deduction that would be allowed
18 on that property if the taxpayer had made the
19 election under Section 168(k)(7) or Section
20 168(n)(6) of the Internal Revenue Code to not
21 claim bonus depreciation on that property; and

22 (iv) for property on which a bonus
23 depreciation deduction of a percentage other
24 than 30%, 50% or 100% of the adjusted basis
25 was taken in a taxable year ending on or after
26 December 31, 2021, "x" equals "y" multiplied

1 by 100 times the percentage bonus depreciation
2 on the property (that is, $100(\text{bonus}\%)$) and
3 then divided by 100 times 1 minus the
4 percentage bonus depreciation on the property
5 (that is, $100(1-\text{bonus}\%)$).

6 The aggregate amount deducted under this
7 subparagraph in all taxable years for any one piece of
8 property may not exceed the amount of the bonus
9 depreciation deduction taken on that property on the
10 taxpayer's federal income tax return under subsection
11 (k) or (n) of Section 168 of the Internal Revenue Code.
12 This subparagraph (R) is exempt from the provisions of
13 Section 250;

14 (S) If the taxpayer sells, transfers, abandons, or
15 otherwise disposes of property for which the taxpayer
16 was required in any taxable year to make an addition
17 modification under subparagraph (G-10), then an amount
18 equal to that addition modification.

19 If the taxpayer continues to own property through
20 the last day of the last tax year for which a
21 subtraction is allowed with respect to that property
22 under subparagraph (R) and for which the taxpayer was
23 required in any taxable year to make an addition
24 modification under subparagraph (G-10), then an amount
25 equal to that addition modification.

26 The taxpayer is allowed to take the deduction

1 under this subparagraph only once with respect to any
2 one piece of property.

3 This subparagraph (S) is exempt from the
4 provisions of Section 250;

5 (T) The amount of (i) any interest income (net of
6 the deductions allocable thereto) taken into account
7 for the taxable year with respect to a transaction
8 with a taxpayer that is required to make an addition
9 modification with respect to such transaction under
10 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
11 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
12 the amount of such addition modification and (ii) any
13 income from intangible property (net of the deductions
14 allocable thereto) taken into account for the taxable
15 year with respect to a transaction with a taxpayer
16 that is required to make an addition modification with
17 respect to such transaction under Section
18 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
19 203(d)(2)(D-8), but not to exceed the amount of such
20 addition modification. This subparagraph (T) is exempt
21 from the provisions of Section 250;

22 (U) An amount equal to the interest income taken
23 into account for the taxable year (net of the
24 deductions allocable thereto) with respect to
25 transactions with (i) a foreign person who would be a
26 member of the taxpayer's unitary business group but

1 for the fact the foreign person's business activity
2 outside the United States is 80% or more of that
3 person's total business activity and (ii) for taxable
4 years ending on or after December 31, 2008, to a person
5 who would be a member of the same unitary business
6 group but for the fact that the person is prohibited
7 under Section 1501(a)(27) from being included in the
8 unitary business group because he or she is ordinarily
9 required to apportion business income under different
10 subsections of Section 304, but not to exceed the
11 addition modification required to be made for the same
12 taxable year under Section 203(c)(2)(G-12) for
13 interest paid, accrued, or incurred, directly or
14 indirectly, to the same person. This subparagraph (U)
15 is exempt from the provisions of Section 250;

16 (V) An amount equal to the income from intangible
17 property taken into account for the taxable year (net
18 of the deductions allocable thereto) with respect to
19 transactions with (i) a foreign person who would be a
20 member of the taxpayer's unitary business group but
21 for the fact that the foreign person's business
22 activity outside the United States is 80% or more of
23 that person's total business activity and (ii) for
24 taxable years ending on or after December 31, 2008, to
25 a person who would be a member of the same unitary
26 business group but for the fact that the person is

1 prohibited under Section 1501(a)(27) from being
2 included in the unitary business group because he or
3 she is ordinarily required to apportion business
4 income under different subsections of Section 304, but
5 not to exceed the addition modification required to be
6 made for the same taxable year under Section
7 203(c)(2)(G-13) for intangible expenses and costs
8 paid, accrued, or incurred, directly or indirectly, to
9 the same foreign person. This subparagraph (V) is
10 exempt from the provisions of Section 250;

11 (W) in the case of an estate, an amount equal to
12 all amounts included in such total pursuant to the
13 provisions of Section 111 of the Internal Revenue Code
14 as a recovery of items previously deducted by the
15 decedent from adjusted gross income in the computation
16 of taxable income. This subparagraph (W) is exempt
17 from Section 250;

18 (X) an amount equal to the refund included in such
19 total of any tax deducted for federal income tax
20 purposes, to the extent that deduction was added back
21 under subparagraph (F). This subparagraph (X) is
22 exempt from the provisions of Section 250;

23 (Y) For taxable years ending on or after December
24 31, 2011, in the case of a taxpayer who was required to
25 add back any insurance premiums under Section
26 203(c)(2)(G-14), such taxpayer may elect to subtract

1 that part of a reimbursement received from the
2 insurance company equal to the amount of the expense
3 or loss (including expenses incurred by the insurance
4 company) that would have been taken into account as a
5 deduction for federal income tax purposes if the
6 expense or loss had been uninsured. If a taxpayer
7 makes the election provided for by this subparagraph
8 (Y), the insurer to which the premiums were paid must
9 add back to income the amount subtracted by the
10 taxpayer pursuant to this subparagraph (Y). This
11 subparagraph (Y) is exempt from the provisions of
12 Section 250;

13 (Z) For taxable years beginning after December 31,
14 2018, the amount of excess business loss of the
15 taxpayer disallowed as a deduction by Section
16 461(l)(1)(B) of the Internal Revenue Code; and

17 (AA) For taxable years beginning on or after
18 January 1, 2023, for any cannabis establishment
19 operating in this State and licensed under the
20 Cannabis Regulation and Tax Act or any cannabis
21 cultivation center or medical cannabis dispensing
22 organization operating in this State and licensed
23 under the Compassionate Use of Medical Cannabis
24 Program Act, an amount equal to the deductions that
25 were disallowed under Section 280E of the Internal
26 Revenue Code for the taxable year and that would not be

1 added back under this subsection. The provisions of
2 this subparagraph (AA) are exempt from the provisions
3 of Section 250.

4 (3) Limitation. The amount of any modification
5 otherwise required under this subsection shall, under
6 regulations prescribed by the Department, be adjusted by
7 any amounts included therein which were properly paid,
8 credited, or required to be distributed, or permanently
9 set aside for charitable purposes pursuant to Internal
10 Revenue Code Section 642(c) during the taxable year.

11 (d) Partnerships.

12 (1) In general. In the case of a partnership, base
13 income means an amount equal to the taxpayer's taxable
14 income for the taxable year as modified by paragraph (2).

15 (2) Modifications. The taxable income referred to in
16 paragraph (1) shall be modified by adding thereto the sum
17 of the following amounts:

18 (A) An amount equal to all amounts paid or accrued
19 to the taxpayer as interest or dividends during the
20 taxable year to the extent excluded from gross income
21 in the computation of taxable income;

22 (B) An amount equal to the amount of tax imposed by
23 this Act to the extent deducted from gross income for
24 the taxable year;

25 (C) The amount of deductions allowed to the

1 partnership pursuant to Section 707 (c) of the
2 Internal Revenue Code in calculating its taxable
3 income;

4 (D) An amount equal to the amount of the capital
5 gain deduction allowable under the Internal Revenue
6 Code, to the extent deducted from gross income in the
7 computation of taxable income;

8 (D-5) For taxable years 2001 through 2025, an
9 amount equal to the bonus depreciation deduction taken
10 on the taxpayer's federal income tax return for the
11 taxable year under subsection (k) of Section 168 of
12 the Internal Revenue Code; for taxable years 2026 and
13 thereafter, an amount equal to the bonus depreciation
14 deduction taken on the taxpayer's federal income tax
15 return for the taxable year under subsection (k) or
16 (n) of Section 168 of the Internal Revenue Code;

17 (D-6) If the taxpayer sells, transfers, abandons,
18 or otherwise disposes of property for which the
19 taxpayer was required in any taxable year to make an
20 addition modification under subparagraph (D-5), then
21 an amount equal to the aggregate amount of the
22 deductions taken in all taxable years under
23 subparagraph (O) with respect to that property.

24 If the taxpayer continues to own property through
25 the last day of the last tax year for which a
26 subtraction is allowed with respect to that property

1 under subparagraph (O) and for which the taxpayer was
2 allowed in any taxable year to make a subtraction
3 modification under subparagraph (O), then an amount
4 equal to that subtraction modification.

5 The taxpayer is required to make the addition
6 modification under this subparagraph only once with
7 respect to any one piece of property;

8 (D-7) An amount equal to the amount otherwise
9 allowed as a deduction in computing base income for
10 interest paid, accrued, or incurred, directly or
11 indirectly, (i) for taxable years ending on or after
12 December 31, 2004, to a foreign person who would be a
13 member of the same unitary business group but for the
14 fact the foreign person's business activity outside
15 the United States is 80% or more of the foreign
16 person's total business activity and (ii) for taxable
17 years ending on or after December 31, 2008, to a person
18 who would be a member of the same unitary business
19 group but for the fact that the person is prohibited
20 under Section 1501(a)(27) from being included in the
21 unitary business group because he or she is ordinarily
22 required to apportion business income under different
23 subsections of Section 304. The addition modification
24 required by this subparagraph shall be reduced to the
25 extent that dividends were included in base income of
26 the unitary group for the same taxable year and

1 received by the taxpayer or by a member of the
2 taxpayer's unitary business group (including amounts
3 included in gross income pursuant to Sections 951
4 through 964 of the Internal Revenue Code and amounts
5 included in gross income under Section 78 of the
6 Internal Revenue Code) with respect to the stock of
7 the same person to whom the interest was paid,
8 accrued, or incurred. For taxable years ending on and
9 after December 31, 2025, for purposes of applying this
10 paragraph in the case of a taxpayer to which Section
11 163(j) of the Internal Revenue Code applies for the
12 taxable year, the reduction in the amount of interest
13 for which a deduction is allowed by reason of Section
14 163(j) shall be treated as allocable first to persons
15 who are not foreign persons referred to in this
16 paragraph and then to such foreign persons.

17 For taxable years ending before December 31, 2025,
18 this paragraph shall not apply to the following:

19 (i) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person who
21 is subject in a foreign country or state, other
22 than a state which requires mandatory unitary
23 reporting, to a tax on or measured by net income
24 with respect to such interest; or

25 (ii) an item of interest paid, accrued, or
26 incurred, directly or indirectly, to a person if

1 the taxpayer can establish, based on a
2 preponderance of the evidence, both of the
3 following:

4 (a) the person, during the same taxable
5 year, paid, accrued, or incurred, the interest
6 to a person that is not a related member, and

7 (b) the transaction giving rise to the
8 interest expense between the taxpayer and the
9 person did not have as a principal purpose the
10 avoidance of Illinois income tax, and is paid
11 pursuant to a contract or agreement that
12 reflects an arm's-length interest rate and
13 terms; or

14 (iii) the taxpayer can establish, based on
15 clear and convincing evidence, that the interest
16 paid, accrued, or incurred relates to a contract
17 or agreement entered into at arm's-length rates
18 and terms and the principal purpose for the
19 payment is not federal or Illinois tax avoidance;
20 or

21 (iv) an item of interest paid, accrued, or
22 incurred, directly or indirectly, to a person if
23 the taxpayer establishes by clear and convincing
24 evidence that the adjustments are unreasonable; or
25 if the taxpayer and the Director agree in writing
26 to the application or use of an alternative method

1 of apportionment under Section 304(f).

2 For taxable years ending on or after December 31,
3 2025, this paragraph shall not apply to the following:

4 (i) an item of interest paid, accrued, or
5 incurred, directly or indirectly, to a person if
6 the taxpayer can establish, based on a
7 preponderance of the evidence, both of the
8 following:

9 (a) the person, during the same taxable
10 year, paid, accrued, or incurred, the interest
11 to a person that is not a related member, and

12 (b) the transaction giving rise to the
13 interest expense between the taxpayer and the
14 person did not have as a principal purpose the
15 avoidance of Illinois income tax, and is paid
16 pursuant to a contract or agreement that
17 reflects an arm's-length interest rate and
18 terms; or

19 (ii) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person if
21 the taxpayer establishes by clear and convincing
22 evidence that the adjustments are unreasonable; or
23 if the taxpayer and the Director agree in writing
24 to the application or use of an alternative method
25 of apportionment under Section 304(f).

26 Nothing in this subsection shall preclude the

1 Director from making any other adjustment otherwise
2 allowed under Section 404 of this Act for any tax year
3 beginning after the effective date of this amendment
4 provided such adjustment is made pursuant to
5 regulation adopted by the Department and such
6 regulations provide methods and standards by which the
7 Department will utilize its authority under Section
8 404 of this Act; and

9 (D-8) An amount equal to the amount of intangible
10 expenses and costs otherwise allowed as a deduction in
11 computing base income, and that were paid, accrued, or
12 incurred, directly or indirectly, (i) for taxable
13 years ending on or after December 31, 2004, to a
14 foreign person who would be a member of the same
15 unitary business group but for the fact that the
16 foreign person's business activity outside the United
17 States is 80% or more of that person's total business
18 activity and (ii) for taxable years ending on or after
19 December 31, 2008, to a person who would be a member of
20 the same unitary business group but for the fact that
21 the person is prohibited under Section 1501(a)(27)
22 from being included in the unitary business group
23 because he or she is ordinarily required to apportion
24 business income under different subsections of Section
25 304. The addition modification required by this
26 subparagraph shall be reduced to the extent that

1 dividends were included in base income of the unitary
2 group for the same taxable year and received by the
3 taxpayer or by a member of the taxpayer's unitary
4 business group (including amounts included in gross
5 income pursuant to Sections 951 through 964 of the
6 Internal Revenue Code and amounts included in gross
7 income under Section 78 of the Internal Revenue Code)
8 with respect to the stock of the same person to whom
9 the intangible expenses and costs were directly or
10 indirectly paid, incurred or accrued. The preceding
11 sentence shall not apply to the extent that the same
12 dividends caused a reduction to the addition
13 modification required under Section 203(d)(2)(D-7) of
14 this Act. As used in this subparagraph, the term
15 "intangible expenses and costs" includes (1) expenses,
16 losses, and costs for, or related to, the direct or
17 indirect acquisition, use, maintenance or management,
18 ownership, sale, exchange, or any other disposition of
19 intangible property; (2) losses incurred, directly or
20 indirectly, from factoring transactions or discounting
21 transactions; (3) royalty, patent, technical, and
22 copyright fees; (4) licensing fees; and (5) other
23 similar expenses and costs. For purposes of this
24 subparagraph, "intangible property" includes patents,
25 patent applications, trade names, trademarks, service
26 marks, copyrights, mask works, trade secrets, and

1 similar types of intangible assets;

2 For taxable years ending on or after December 31,
3 2025, this paragraph shall not apply to the following:

4 (i) any item of intangible expenses or costs
5 paid, accrued, or incurred, directly or
6 indirectly, from a transaction with a person who
7 is subject in a foreign country or state, other
8 than a state which requires mandatory unitary
9 reporting, to a tax on or measured by net income
10 with respect to such item; or

11 (ii) any item of intangible expense or cost
12 paid, accrued, or incurred, directly or
13 indirectly, if the taxpayer can establish, based
14 on a preponderance of the evidence, both of the
15 following:

16 (a) the person during the same taxable
17 year paid, accrued, or incurred, the
18 intangible expense or cost to a person that is
19 not a related member, and

20 (b) the transaction giving rise to the
21 intangible expense or cost between the
22 taxpayer and the person did not have as a
23 principal purpose the avoidance of Illinois
24 income tax, and is paid pursuant to a contract
25 or agreement that reflects arm's-length terms;
26 or

1 (iii) any item of intangible expense or cost
2 paid, accrued, or incurred, directly or
3 indirectly, from a transaction with a person if
4 the taxpayer establishes by clear and convincing
5 evidence, that the adjustments are unreasonable;
6 or if the taxpayer and the Director agree in
7 writing to the application or use of an
8 alternative method of apportionment under Section
9 304(f);

10 For taxable years ending on or after December 31,
11 2025, this paragraph shall not apply to the following:

12 (i) any item of intangible expense or cost
13 paid, accrued, or incurred, directly or
14 indirectly, if the taxpayer can establish, based
15 on a preponderance of the evidence, both of the
16 following:

17 (a) the person during the same taxable
18 year paid, accrued, or incurred, the
19 intangible expense or cost to a person that is
20 not a related member, and

21 (b) the transaction giving rise to the
22 intangible expense or cost between the
23 taxpayer and the person did not have as a
24 principal purpose the avoidance of Illinois
25 income tax, and is paid pursuant to a contract
26 or agreement that reflects arm's-length terms;

1 or

2 (ii) any item of intangible expense or cost
3 paid, accrued, or incurred, directly or
4 indirectly, from a transaction with a person if
5 the taxpayer establishes by clear and convincing
6 evidence, that the adjustments are unreasonable;
7 or if the taxpayer and the Director agree in
8 writing to the application or use of an
9 alternative method of apportionment under Section
10 304(f).

11 Nothing in this subsection shall preclude the
12 Director from making any other adjustment otherwise
13 allowed under Section 404 of this Act for any tax year
14 beginning after the effective date of this amendment
15 provided such adjustment is made pursuant to
16 regulation adopted by the Department and such
17 regulations provide methods and standards by which the
18 Department will utilize its authority under Section
19 404 of this Act;

20 (D-9) For taxable years ending on or after
21 December 31, 2008, an amount equal to the amount of
22 insurance premium expenses and costs otherwise allowed
23 as a deduction in computing base income, and that were
24 paid, accrued, or incurred, directly or indirectly, to
25 a person who would be a member of the same unitary
26 business group but for the fact that the person is

1 prohibited under Section 1501(a)(27) from being
2 included in the unitary business group because he or
3 she is ordinarily required to apportion business
4 income under different subsections of Section 304. The
5 addition modification required by this subparagraph
6 shall be reduced to the extent that dividends were
7 included in base income of the unitary group for the
8 same taxable year and received by the taxpayer or by a
9 member of the taxpayer's unitary business group
10 (including amounts included in gross income under
11 Sections 951 through 964 of the Internal Revenue Code
12 and amounts included in gross income under Section 78
13 of the Internal Revenue Code) with respect to the
14 stock of the same person to whom the premiums and costs
15 were directly or indirectly paid, incurred, or
16 accrued. The preceding sentence does not apply to the
17 extent that the same dividends caused a reduction to
18 the addition modification required under Section
19 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

20 (D-10) An amount equal to the credit allowable to
21 the taxpayer under Section 218(a) of this Act,
22 determined without regard to Section 218(c) of this
23 Act;

24 (D-11) For taxable years ending on or after
25 December 31, 2017, an amount equal to the deduction
26 allowed under Section 199 of the Internal Revenue Code

1 for the taxable year;

2 (D-12) the amount that is claimed as a federal
3 deduction when computing the taxpayer's federal
4 taxable income for the taxable year and that is
5 attributable to an endowment gift for which the
6 taxpayer receives a credit under the Illinois Gives
7 Tax Credit Act;

8 (D-13) For taxable years ending on and after
9 December 31, 2026, an amount equal to the amount of
10 gain excluded from gross income under Section 1202 of
11 the Internal Revenue Code;

12 and by deducting from the total so obtained the following
13 amounts:

14 (E) The valuation limitation amount;

15 (F) An amount equal to the amount of any tax
16 imposed by this Act which was refunded to the taxpayer
17 and included in such total for the taxable year;

18 (G) An amount equal to all amounts included in
19 taxable income as modified by subparagraphs (A), (B),
20 (C) and (D) which are exempt from taxation by this
21 State either by reason of its statutes or Constitution
22 or by reason of the Constitution, treaties or statutes
23 of the United States; provided that, in the case of any
24 statute of this State that exempts income derived from
25 bonds or other obligations from the tax imposed under
26 this Act, the amount exempted shall be the interest

1 net of bond premium amortization;

2 (H) Any income of the partnership which
3 constitutes personal service income as defined in
4 Section 1348(b)(1) of the Internal Revenue Code (as in
5 effect December 31, 1981) or a reasonable allowance
6 for compensation paid or accrued for services rendered
7 by partners to the partnership, whichever is greater;
8 this subparagraph (H) is exempt from the provisions of
9 Section 250;

10 (I) An amount equal to all amounts of income
11 distributable to an entity subject to the Personal
12 Property Tax Replacement Income Tax imposed by
13 subsections (c) and (d) of Section 201 of this Act
14 including amounts distributable to organizations
15 exempt from federal income tax by reason of Section
16 501(a) of the Internal Revenue Code; this subparagraph
17 (I) is exempt from the provisions of Section 250;

18 (J) With the exception of any amounts subtracted
19 under subparagraph (G), an amount equal to the sum of
20 all amounts disallowed as deductions by (i) Sections
21 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
22 and all amounts of expenses allocable to interest and
23 disallowed as deductions by Section 265(a)(1) of the
24 Internal Revenue Code; and (ii) for taxable years
25 ending on or after August 13, 1999, Sections
26 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the

1 Internal Revenue Code, plus, (iii) for taxable years
2 ending on or after December 31, 2011, Section
3 45G(e)(3) of the Internal Revenue Code and, for
4 taxable years ending on or after December 31, 2008,
5 any amount included in gross income under Section 87
6 of the Internal Revenue Code; the provisions of this
7 subparagraph are exempt from the provisions of Section
8 250;

9 (K) An amount equal to those dividends included in
10 such total which were paid by a corporation which
11 conducts business operations in a River Edge
12 Redevelopment Zone or zones created under the River
13 Edge Redevelopment Zone Act and conducts substantially
14 all of its operations from a River Edge Redevelopment
15 Zone or zones. This subparagraph (K) is exempt from
16 the provisions of Section 250;

17 (L) An amount equal to any contribution made to a
18 job training project established pursuant to the Real
19 Property Tax Increment Allocation Redevelopment Act;

20 (M) An amount equal to those dividends included in
21 such total that were paid by a corporation that
22 conducts business operations in a federally designated
23 Foreign Trade Zone or Sub-Zone and that is designated
24 a High Impact Business located in Illinois; provided
25 that dividends eligible for the deduction provided in
26 subparagraph (K) of paragraph (2) of this subsection

1 shall not be eligible for the deduction provided under
2 this subparagraph (M);

3 (N) An amount equal to the amount of the deduction
4 used to compute the federal income tax credit for
5 restoration of substantial amounts held under claim of
6 right for the taxable year pursuant to Section 1341 of
7 the Internal Revenue Code;

8 (O) For taxable years 2001 and thereafter, for the
9 taxable year in which the bonus depreciation deduction
10 is taken on the taxpayer's federal income tax return
11 under subsection (k) or (n) of Section 168 of the
12 Internal Revenue Code and for each applicable taxable
13 year thereafter, an amount equal to "x", where:

14 (1) "y" equals the amount of the depreciation
15 deduction taken for the taxable year on the
16 taxpayer's federal income tax return on property
17 for which the bonus depreciation deduction was
18 taken in any year under subsection (k) or (n) of
19 Section 168 of the Internal Revenue Code, but not
20 including the bonus depreciation deduction;

21 (2) for taxable years ending on or before
22 December 31, 2005, "x" equals "y" multiplied by 30
23 and then divided by 70 (or "y" multiplied by
24 0.429); and

25 (3) for taxable years ending after December
26 31, 2005:

1 (i) for property on which a bonus
2 depreciation deduction of 30% of the adjusted
3 basis was taken, "x" equals "y" multiplied by
4 30 and then divided by 70 (or "y" multiplied
5 by 0.429);

6 (ii) for property on which a bonus
7 depreciation deduction of 50% of the adjusted
8 basis was taken, "x" equals "y" multiplied by
9 1.0;

10 (iii) for property on which a bonus
11 depreciation deduction of 100% of the adjusted
12 basis was taken in a taxable year ending on or
13 after December 31, 2021, "x" equals the
14 depreciation deduction that would be allowed
15 on that property if the taxpayer had made the
16 election under Section 168(k)(7) or Section
17 168(n)(6) of the Internal Revenue Code to not
18 claim bonus depreciation on that property; and

19 (iv) for property on which a bonus
20 depreciation deduction of a percentage other
21 than 30%, 50% or 100% of the adjusted basis
22 was taken in a taxable year ending on or after
23 December 31, 2021, "x" equals "y" multiplied
24 by 100 times the percentage bonus depreciation
25 on the property (that is, $100(\text{bonus}\%)$) and
26 then divided by 100 times 1 minus the

1 percentage bonus depreciation on the property
2 (that is, $100(1-\text{bonus}\%)$).

3 The aggregate amount deducted under this
4 subparagraph in all taxable years for any one piece of
5 property may not exceed the amount of the bonus
6 depreciation deduction taken on that property on the
7 taxpayer's federal income tax return under subsection
8 (k) or (n) of Section 168 of the Internal Revenue Code.
9 This subparagraph (O) is exempt from the provisions of
10 Section 250;

11 (P) If the taxpayer sells, transfers, abandons, or
12 otherwise disposes of property for which the taxpayer
13 was required in any taxable year to make an addition
14 modification under subparagraph (D-5), then an amount
15 equal to that addition modification.

16 If the taxpayer continues to own property through
17 the last day of the last tax year for which a
18 subtraction is allowed with respect to that property
19 under subparagraph (O) and for which the taxpayer was
20 required in any taxable year to make an addition
21 modification under subparagraph (D-5), then an amount
22 equal to that addition modification.

23 The taxpayer is allowed to take the deduction
24 under this subparagraph only once with respect to any
25 one piece of property.

26 This subparagraph (P) is exempt from the

1 provisions of Section 250;

2 (Q) The amount of (i) any interest income (net of
3 the deductions allocable thereto) taken into account
4 for the taxable year with respect to a transaction
5 with a taxpayer that is required to make an addition
6 modification with respect to such transaction under
7 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
8 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
9 the amount of such addition modification and (ii) any
10 income from intangible property (net of the deductions
11 allocable thereto) taken into account for the taxable
12 year with respect to a transaction with a taxpayer
13 that is required to make an addition modification with
14 respect to such transaction under Section
15 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
16 203(d)(2)(D-8), but not to exceed the amount of such
17 addition modification. This subparagraph (Q) is exempt
18 from Section 250;

19 (R) An amount equal to the interest income taken
20 into account for the taxable year (net of the
21 deductions allocable thereto) with respect to
22 transactions with (i) a foreign person who would be a
23 member of the taxpayer's unitary business group but
24 for the fact that the foreign person's business
25 activity outside the United States is 80% or more of
26 that person's total business activity and (ii) for

1 taxable years ending on or after December 31, 2008, to
2 a person who would be a member of the same unitary
3 business group but for the fact that the person is
4 prohibited under Section 1501(a)(27) from being
5 included in the unitary business group because he or
6 she is ordinarily required to apportion business
7 income under different subsections of Section 304, but
8 not to exceed the addition modification required to be
9 made for the same taxable year under Section
10 203(d)(2)(D-7) for interest paid, accrued, or
11 incurred, directly or indirectly, to the same person.
12 This subparagraph (R) is exempt from Section 250;

13 (S) An amount equal to the income from intangible
14 property taken into account for the taxable year (net
15 of the deductions allocable thereto) with respect to
16 transactions with (i) a foreign person who would be a
17 member of the taxpayer's unitary business group but
18 for the fact that the foreign person's business
19 activity outside the United States is 80% or more of
20 that person's total business activity and (ii) for
21 taxable years ending on or after December 31, 2008, to
22 a person who would be a member of the same unitary
23 business group but for the fact that the person is
24 prohibited under Section 1501(a)(27) from being
25 included in the unitary business group because he or
26 she is ordinarily required to apportion business

1 income under different subsections of Section 304, but
2 not to exceed the addition modification required to be
3 made for the same taxable year under Section
4 203(d)(2)(D-8) for intangible expenses and costs paid,
5 accrued, or incurred, directly or indirectly, to the
6 same person. This subparagraph (S) is exempt from
7 Section 250;

8 (T) For taxable years ending on or after December
9 31, 2011, in the case of a taxpayer who was required to
10 add back any insurance premiums under Section
11 203(d)(2)(D-9), such taxpayer may elect to subtract
12 that part of a reimbursement received from the
13 insurance company equal to the amount of the expense
14 or loss (including expenses incurred by the insurance
15 company) that would have been taken into account as a
16 deduction for federal income tax purposes if the
17 expense or loss had been uninsured. If a taxpayer
18 makes the election provided for by this subparagraph
19 (T), the insurer to which the premiums were paid must
20 add back to income the amount subtracted by the
21 taxpayer pursuant to this subparagraph (T). This
22 subparagraph (T) is exempt from the provisions of
23 Section 250; and

24 (U) For taxable years beginning on or after
25 January 1, 2023, for any cannabis establishment
26 operating in this State and licensed under the

1 Cannabis Regulation and Tax Act or any cannabis
2 cultivation center or medical cannabis dispensing
3 organization operating in this State and licensed
4 under the Compassionate Use of Medical Cannabis
5 Program Act, an amount equal to the deductions that
6 were disallowed under Section 280E of the Internal
7 Revenue Code for the taxable year and that would not be
8 added back under this subsection. The provisions of
9 this subparagraph (U) are exempt from the provisions
10 of Section 250.

11 (e) Gross income; adjusted gross income; taxable income.

12 (1) In general. Subject to the provisions of paragraph
13 (2) and subsection (b)(3), for purposes of this Section
14 and Section 803(e), a taxpayer's gross income, adjusted
15 gross income, or taxable income for the taxable year shall
16 mean the amount of gross income, adjusted gross income or
17 taxable income properly reportable for federal income tax
18 purposes for the taxable year under the provisions of the
19 Internal Revenue Code. Taxable income may be less than
20 zero. However, for taxable years ending on or after
21 December 31, 1986, net operating loss carryforwards from
22 taxable years ending prior to December 31, 1986, may not
23 exceed the sum of federal taxable income for the taxable
24 year before net operating loss deduction, plus the excess
25 of addition modifications over subtraction modifications

1 for the taxable year. For taxable years ending prior to
2 December 31, 1986, taxable income may never be an amount
3 in excess of the net operating loss for the taxable year as
4 defined in subsections (c) and (d) of Section 172 of the
5 Internal Revenue Code, provided that when taxable income
6 of a corporation (other than a Subchapter S corporation),
7 trust, or estate is less than zero and addition
8 modifications, other than those provided by subparagraph
9 (E) of paragraph (2) of subsection (b) for corporations or
10 subparagraph (E) of paragraph (2) of subsection (c) for
11 trusts and estates, exceed subtraction modifications, an
12 addition modification must be made under those
13 subparagraphs for any other taxable year to which the
14 taxable income less than zero (net operating loss) is
15 applied under Section 172 of the Internal Revenue Code or
16 under subparagraph (E) of paragraph (2) of this subsection
17 (e) applied in conjunction with Section 172 of the
18 Internal Revenue Code.

19 (2) Special rule. For purposes of paragraph (1) of
20 this subsection, the taxable income properly reportable
21 for federal income tax purposes shall mean:

22 (A) Certain life insurance companies. In the case
23 of a life insurance company subject to the tax imposed
24 by Section 801 of the Internal Revenue Code, life
25 insurance company taxable income, plus the amount of
26 distribution from pre-1984 policyholder surplus

1 accounts as calculated under Section 815a of the
2 Internal Revenue Code;

3 (B) Certain other insurance companies. In the case
4 of mutual insurance companies subject to the tax
5 imposed by Section 831 of the Internal Revenue Code,
6 insurance company taxable income;

7 (C) Regulated investment companies. In the case of
8 a regulated investment company subject to the tax
9 imposed by Section 852 of the Internal Revenue Code,
10 investment company taxable income;

11 (D) Real estate investment trusts. In the case of
12 a real estate investment trust subject to the tax
13 imposed by Section 857 of the Internal Revenue Code,
14 real estate investment trust taxable income;

15 (E) Consolidated corporations. In the case of a
16 corporation which is a member of an affiliated group
17 of corporations filing a consolidated income tax
18 return for the taxable year for federal income tax
19 purposes, taxable income determined as if such
20 corporation had filed a separate return for federal
21 income tax purposes for the taxable year and each
22 preceding taxable year for which it was a member of an
23 affiliated group. For purposes of this subparagraph,
24 the taxpayer's separate taxable income shall be
25 determined as if the election provided by Section
26 243(b)(2) of the Internal Revenue Code had been in

1 effect for all such years;

2 (F) Cooperatives. In the case of a cooperative
3 corporation or association, the taxable income of such
4 organization determined in accordance with the
5 provisions of Section 1381 through 1388 of the
6 Internal Revenue Code, but without regard to the
7 prohibition against offsetting losses from patronage
8 activities against income from nonpatronage
9 activities; except that a cooperative corporation or
10 association may make an election to follow its federal
11 income tax treatment of patronage losses and
12 nonpatronage losses. In the event such election is
13 made, such losses shall be computed and carried over
14 in a manner consistent with subsection (a) of Section
15 207 of this Act and apportioned by the apportionment
16 factor reported by the cooperative on its Illinois
17 income tax return filed for the taxable year in which
18 the losses are incurred. The election shall be
19 effective for all taxable years with original returns
20 due on or after the date of the election. In addition,
21 the cooperative may file an amended return or returns,
22 as allowed under this Act, to provide that the
23 election shall be effective for losses incurred or
24 carried forward for taxable years occurring prior to
25 the date of the election. Once made, the election may
26 only be revoked upon approval of the Director. The

1 Department shall adopt rules setting forth
2 requirements for documenting the elections and any
3 resulting Illinois net loss and the standards to be
4 used by the Director in evaluating requests to revoke
5 elections. Public Act 96-932 is declaratory of
6 existing law;

7 (G) Subchapter S corporations. In the case of: (i)
8 a Subchapter S corporation for which there is in
9 effect an election for the taxable year under Section
10 1362 of the Internal Revenue Code, the taxable income
11 of such corporation determined in accordance with
12 Section 1363(b) of the Internal Revenue Code, except
13 that taxable income shall take into account those
14 items which are required by Section 1363(b)(1) of the
15 Internal Revenue Code to be separately stated; and
16 (ii) a Subchapter S corporation for which there is in
17 effect a federal election to opt out of the provisions
18 of the Subchapter S Revision Act of 1982 and have
19 applied instead the prior federal Subchapter S rules
20 as in effect on July 1, 1982, the taxable income of
21 such corporation determined in accordance with the
22 federal Subchapter S rules as in effect on July 1,
23 1982; and

24 (H) Partnerships. In the case of a partnership,
25 taxable income determined in accordance with Section
26 703 of the Internal Revenue Code, except that taxable

1 income shall take into account those items which are
2 required by Section 703(a)(1) to be separately stated
3 but which would be taken into account by an individual
4 in calculating his taxable income.

5 (3) Recapture of business expenses on disposition of
6 asset or business. Notwithstanding any other law to the
7 contrary, if in prior years income from an asset or
8 business has been classified as business income and in a
9 later year is demonstrated to be non-business income, then
10 all expenses, without limitation, deducted in such later
11 year and in the 2 immediately preceding taxable years
12 related to that asset or business that generated the
13 non-business income shall be added back and recaptured as
14 business income in the year of the disposition of the
15 asset or business. Such amount shall be apportioned to
16 Illinois using the greater of the apportionment fraction
17 computed for the business under Section 304 of this Act
18 for the taxable year or the average of the apportionment
19 fractions computed for the business under Section 304 of
20 this Act for the taxable year and for the 2 immediately
21 preceding taxable years.

22 (f) Valuation limitation amount.

23 (1) In general. The valuation limitation amount
24 referred to in subsections (a)(2)(G), (c)(2)(I) and
25 (d)(2)(E) is an amount equal to:

1 (A) The sum of the pre-August 1, 1969 appreciation
2 amounts (to the extent consisting of gain reportable
3 under the provisions of Section 1245 or 1250 of the
4 Internal Revenue Code) for all property in respect of
5 which such gain was reported for the taxable year;
6 plus

7 (B) The lesser of (i) the sum of the pre-August 1,
8 1969 appreciation amounts (to the extent consisting of
9 capital gain) for all property in respect of which
10 such gain was reported for federal income tax purposes
11 for the taxable year, or (ii) the net capital gain for
12 the taxable year, reduced in either case by any amount
13 of such gain included in the amount determined under
14 subsection (a) (2) (F) or (c) (2) (H).

15 (2) Pre-August 1, 1969 appreciation amount.

16 (A) If the fair market value of property referred
17 to in paragraph (1) was readily ascertainable on
18 August 1, 1969, the pre-August 1, 1969 appreciation
19 amount for such property is the lesser of (i) the
20 excess of such fair market value over the taxpayer's
21 basis (for determining gain) for such property on that
22 date (determined under the Internal Revenue Code as in
23 effect on that date), or (ii) the total gain realized
24 and reportable for federal income tax purposes in
25 respect of the sale, exchange or other disposition of
26 such property.

1 (B) If the fair market value of property referred
2 to in paragraph (1) was not readily ascertainable on
3 August 1, 1969, the pre-August 1, 1969 appreciation
4 amount for such property is that amount which bears
5 the same ratio to the total gain reported in respect of
6 the property for federal income tax purposes for the
7 taxable year, as the number of full calendar months in
8 that part of the taxpayer's holding period for the
9 property ending July 31, 1969 bears to the number of
10 full calendar months in the taxpayer's entire holding
11 period for the property.

12 (C) The Department shall prescribe such
13 regulations as may be necessary to carry out the
14 purposes of this paragraph.

15 (g) Double deductions. Unless specifically provided
16 otherwise, nothing in this Section shall permit the same item
17 to be deducted more than once.

18 (h) Legislative intention. Except as expressly provided by
19 this Section there shall be no modifications or limitations on
20 the amounts of income, gain, loss or deduction taken into
21 account in determining gross income, adjusted gross income or
22 taxable income for federal income tax purposes for the taxable
23 year, or in the amount of such items entering into the
24 computation of base income and net income under this Act for

1 such taxable year, whether in respect of property values as of
2 August 1, 1969 or otherwise.

3 (Source: P.A. 103-8, eff. 6-7-23; 103-478, eff. 1-1-24;
4 103-592, Article 10, Section 10-900, eff. 6-7-24; 103-592,
5 Article 170, Section 170-90, eff. 6-7-24; 103-605, eff.
6 7-1-24; 103-647, eff. 7-1-24; 104-6, eff. 6-16-25; 104-417,
7 eff. 8-15-25; 104-453, eff. 12-12-25.)

8 ARTICLE 125

9 Section 125-5. The Use Tax Act is amended by changing
10 Sections 3-10 and 9 as follows:

11 (35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

12 Sec. 3-10. Rate of tax. Unless otherwise provided in this
13 Section, the tax imposed by this Act is at the rate of 6.25% of
14 either the selling price or the fair market value, if any, of
15 the tangible personal property, which, on and after January 1,
16 2025, includes leases of tangible personal property. In all
17 cases where property functionally used or consumed is the same
18 as the property that was purchased at retail, then the tax is
19 imposed on the selling price of the property. In all cases
20 where property functionally used or consumed is a by-product
21 or waste product that has been refined, manufactured, or
22 produced from property purchased at retail, then the tax is
23 imposed on the lower of the fair market value, if any, of the

1 specific property so used in this State or on the selling price
2 of the property purchased at retail. For purposes of this
3 Section "fair market value" means the price at which property
4 would change hands between a willing buyer and a willing
5 seller, neither being under any compulsion to buy or sell and
6 both having reasonable knowledge of the relevant facts. The
7 fair market value shall be established by Illinois sales by
8 the taxpayer of the same property as that functionally used or
9 consumed, or if there are no such sales by the taxpayer, then
10 comparable sales or purchases of property of like kind and
11 character in Illinois.

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

16 Beginning on August 6, 2010 through August 15, 2010, and
17 beginning again on August 5, 2022 through August 14, 2022, and
18 beginning again on August 7, 2026 through August 16, 2026,
19 with respect to sales tax holiday items as defined in Section
20 3-6 of this Act, the tax is imposed at the rate of 1.25%.

21 With respect to gasohol, the tax imposed by this Act
22 applies to (i) 70% of the proceeds of sales made on or after
23 January 1, 1990, and before July 1, 2003, (ii) 80% of the
24 proceeds of sales made on or after July 1, 2003 and on or
25 before July 1, 2017, (iii) 100% of the proceeds of sales made
26 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of

1 the proceeds of sales made on or after January 1, 2024 and on
2 or before December 31, 2028, and (v) 100% of the proceeds of
3 sales made after December 31, 2028. If, at any time, however,
4 the tax under this Act on sales of gasohol is imposed at the
5 rate of 1.25%, then the tax imposed by this Act applies to 100%
6 of the proceeds of sales of gasohol made during that time.

7 With respect to mid-range ethanol blends, the tax imposed
8 by this Act applies to (i) 80% of the proceeds of sales made on
9 or after January 1, 2024 and on or before December 31, 2028 and
10 (ii) 100% of the proceeds of sales made thereafter. If, at any
11 time, however, the tax under this Act on sales of mid-range
12 ethanol blends is imposed at the rate of 1.25%, then the tax
13 imposed by this Act applies to 100% of the proceeds of sales of
14 mid-range ethanol blends made during that time.

15 With respect to majority blended ethanol fuel, the tax
16 imposed by this Act does not apply to the proceeds of sales
17 made on or after July 1, 2003 and on or before December 31,
18 2028 but applies to 100% of the proceeds of sales made
19 thereafter.

20 With respect to biodiesel blends with no less than 1% and
21 no more than 10% biodiesel, the tax imposed by this Act applies
22 to (i) 80% of the proceeds of sales made on or after July 1,
23 2003 and on or before December 31, 2018 and (ii) 100% of the
24 proceeds of sales made after December 31, 2018 and before
25 January 1, 2024. On and after January 1, 2024 and on or before
26 December 31, 2030, the taxation of biodiesel, renewable

1 diesel, and biodiesel blends shall be as provided in Section
2 3-5.1. If, at any time, however, the tax under this Act on
3 sales of biodiesel blends with no less than 1% and no more than
4 10% biodiesel is imposed at the rate of 1.25%, then the tax
5 imposed by this Act applies to 100% of the proceeds of sales of
6 biodiesel blends with no less than 1% and no more than 10%
7 biodiesel made during that time.

8 With respect to biodiesel and biodiesel blends with more
9 than 10% but no more than 99% biodiesel, the tax imposed by
10 this Act does not apply to the proceeds of sales made on or
11 after July 1, 2003 and on or before December 31, 2023. On and
12 after January 1, 2024 and on or before December 31, 2030, the
13 taxation of biodiesel, renewable diesel, and biodiesel blends
14 shall be as provided in Section 3-5.1.

15 Until July 1, 2022 and from July 1, 2023 through December
16 31, 2025, with respect to food for human consumption that is to
17 be consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption), the tax is imposed at the rate of 1%.
21 Beginning on July 1, 2022 and until July 1, 2023, with respect
22 to food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 food consisting of or infused with adult use cannabis, soft
25 drinks, and food that has been prepared for immediate
26 consumption), the tax is imposed at the rate of 0%. On and

1 after January 1, 2026, food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic beverages, food consisting of or infused with adult
4 use cannabis, soft drinks, candy, and food that has been
5 prepared for immediate consumption) is exempt from the tax
6 imposed by this Act.

7 With respect to prescription and nonprescription
8 medicines, drugs, medical appliances, products classified as
9 Class III medical devices by the United States Food and Drug
10 Administration that are used for cancer treatment pursuant to
11 a prescription, as well as any accessories and components
12 related to those devices, modifications to a motor vehicle for
13 the purpose of rendering it usable by a person with a
14 disability, and insulin, blood sugar testing materials,
15 syringes, and needles used by human diabetics, the tax is
16 imposed at the rate of 1%. For the purposes of this Section,
17 until September 1, 2009: the term "soft drinks" means any
18 complete, finished, ready-to-use, non-alcoholic drink, whether
19 carbonated or not, including, but not limited to, soda water,
20 cola, fruit juice, vegetable juice, carbonated water, and all
21 other preparations commonly known as soft drinks of whatever
22 kind or description that are contained in any closed or sealed
23 bottle, can, carton, or container, regardless of size; but
24 "soft drinks" does not include coffee, tea, non-carbonated
25 water, infant formula, milk or milk products as defined in the
26 Grade A Pasteurized Milk and Milk Products Act, or drinks

1 containing 50% or more natural fruit or vegetable juice.

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

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

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

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

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

16 (A) a "Drug Facts" panel; or

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

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

25 As used in this Section, "adult use cannabis" means
26 cannabis subject to tax under the Cannabis Cultivation

1 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
2 and does not include cannabis subject to tax under the
3 Compassionate Use of Medical Cannabis Program Act.

4 If the property that is purchased at retail from a
5 retailer is acquired outside Illinois and used outside
6 Illinois before being brought to Illinois for use here and is
7 taxable under this Act, the "selling price" on which the tax is
8 computed shall be reduced by an amount that represents a
9 reasonable allowance for depreciation for the period of prior
10 out-of-state use. No depreciation is allowed in cases where
11 the tax under this Act is imposed on lease receipts.

12 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
13 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
14 8-15-25.)

15 (35 ILCS 105/9)

16 (Text of Section before amendment by P.A. 104-457)

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

1 reimburse the retailer for expenses incurred in collecting the
2 tax, keeping records, preparing and filing returns, remitting
3 the tax and supplying data to the Department on request.
4 Beginning with returns due on or after January 1, 2025, the
5 discount allowed in this Section, the Retailers' Occupation
6 Tax Act, the Service Occupation Tax Act, and the Service Use
7 Tax Act, including any local tax administered by the
8 Department and reported on the same return, shall not exceed
9 \$1,000 per month in the aggregate for returns other than
10 transaction returns filed during the month. When determining
11 the discount allowed under this Section, retailers shall
12 include the amount of tax that would have been due at the 6.25%
13 rate but for the 1.25% rate imposed on sales tax holiday items
14 under Public Act 102-700 and under this amendatory Act of the
15 104th General Assembly. The discount under this Section is not
16 allowed for the 1.25% portion of taxes paid on aviation fuel
17 that is subject to the revenue use requirements of 49 U.S.C.
18 47107(b) and 49 U.S.C. 47133. When determining the discount
19 allowed under this Section, retailers shall include the amount
20 of tax that would have been due at the 1% rate but for the 0%
21 rate imposed under Public Act 102-700. In the case of
22 retailers who report and pay the tax on a transaction by
23 transaction basis, as provided in this Section, such discount
24 shall be taken with each such tax remittance instead of when
25 such retailer files his periodic return, but, beginning with
26 returns due on or after January 1, 2025, the discount allowed

1 under this Section and the Retailers' Occupation Tax Act,
2 including any local tax administered by the Department and
3 reported on the same transaction return, shall not exceed
4 \$1,000 per month for all transaction returns filed during the
5 month. The discount allowed under this Section is allowed only
6 for returns that are filed in the manner required by this Act.
7 The Department may disallow the discount for retailers whose
8 certificate of registration is revoked at the time the return
9 is filed, but only if the Department's decision to revoke the
10 certificate of registration has become final. A retailer need
11 not remit that part of any tax collected by him to the extent
12 that he is required to remit and does remit the tax imposed by
13 the Retailers' Occupation Tax Act, with respect to the sale of
14 the same property.

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

25 In the case of leases, except as otherwise provided in
26 this Act, the lessor, in collecting the tax, may collect for

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

4 Except as provided in this Section, on or before the
5 twentieth day of each calendar month, such retailer shall file
6 a return for the preceding calendar month. Such return shall
7 be filed on forms prescribed by the Department and shall
8 furnish such information as the Department may reasonably
9 require. The return shall include the gross receipts on food
10 for human consumption that is to be consumed off the premises
11 where it is sold (other than alcoholic beverages, food
12 consisting of or infused with adult use cannabis, soft drinks,
13 and food that has been prepared for immediate consumption)
14 which were received during the preceding calendar month,
15 quarter, or year, as appropriate, and upon which tax would
16 have been due but for the 0% rate imposed under Public Act
17 102-700. The return shall also include the amount of tax that
18 would have been due on food for human consumption that is to be
19 consumed off the premises where it is sold (other than
20 alcoholic beverages, food consisting of or infused with adult
21 use cannabis, soft drinks, and food that has been prepared for
22 immediate consumption) but for the 0% rate imposed under
23 Public Act 102-700.

24 On and after January 1, 2018, except for returns required
25 to be filed prior to January 1, 2023 for motor vehicles,
26 watercraft, aircraft, and trailers that are required to be

1 registered with an agency of this State, with respect to
2 retailers whose annual gross receipts average \$20,000 or more,
3 all returns required to be filed pursuant to this Act shall be
4 filed electronically. On and after January 1, 2023, with
5 respect to retailers whose annual gross receipts average
6 \$20,000 or more, all returns required to be filed pursuant to
7 this Act, including, but not limited to, returns for motor
8 vehicles, watercraft, aircraft, and trailers that are required
9 to be registered with an agency of this State, shall be filed
10 electronically. Retailers who demonstrate that they do not
11 have access to the Internet or demonstrate hardship in filing
12 electronically may petition the Department to waive the
13 electronic filing requirement.

14 The Department may require returns to be filed on a
15 quarterly basis. If so required, a return for each calendar
16 quarter shall be filed on or before the twentieth day of the
17 calendar month following the end of such calendar quarter. The
18 taxpayer shall also file a return with the Department for each
19 of the first 2 ~~two~~ months of each calendar quarter, on or
20 before the twentieth day of the following calendar month,
21 stating:

22 1. The name of the seller;

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

26 3. The total amount of taxable receipts received by

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

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

7 5. The amount of tax due;

8 5-5. The signature of the taxpayer; and

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

11 Each retailer required or authorized to collect the tax
12 imposed by this Act on aviation fuel sold at retail in this
13 State during the preceding calendar month shall, instead of
14 reporting and paying tax on aviation fuel as otherwise
15 required by this Section, report and pay such tax on a separate
16 aviation fuel tax return. The requirements related to the
17 return shall be as otherwise provided in this Section.
18 Notwithstanding any other provisions of this Act to the
19 contrary, retailers collecting tax on aviation fuel shall file
20 all aviation fuel tax returns and shall make all aviation fuel
21 tax payments by electronic means in the manner and form
22 required by the Department. For purposes of this Section,
23 "aviation fuel" means jet fuel and aviation gasoline.

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

1 due on the return shall be deemed assessed.

2 Notwithstanding any other provision of this Act to the
3 contrary, retailers subject to tax on cannabis shall file all
4 cannabis tax returns and shall make all cannabis tax payments
5 by electronic means in the manner and form required by the
6 Department.

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

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

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

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

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

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

21 Before October 1, 2000, if the taxpayer's average monthly
22 tax liability to the Department under this Act, the Retailers'
23 Occupation Tax Act, the Service Occupation Tax Act, the
24 Service Use Tax Act was \$10,000 or more during the preceding 4
25 complete calendar quarters, he shall file a return with the
26 Department each month by the 20th day of the month next

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

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

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

1 be determined under this paragraph as if the rate reduction to
2 1.25% in Public Act 102-700 and in this amendatory Act of the
3 104th General Assembly on sales tax holiday items had not
4 occurred. For quarter monthly payments due on or after July 1,
5 2023 and through June 30, 2024, and on or after July 1, 2027
6 through June 30, 2028 "25% of the taxpayer's liability for the
7 same calendar month of the preceding year" shall be determined
8 as if the rate reduction to 1.25% in Public Act 102-700 and in
9 this amendatory Act of 104th General Assembly on sales tax
10 holiday items had not occurred. Quarter monthly payment status
11 shall be determined under this paragraph as if the rate
12 reduction to 0% in Public Act 102-700 on food for human
13 consumption that is to be consumed off the premises where it is
14 sold (other than alcoholic beverages, food consisting of or
15 infused with adult use cannabis, soft drinks, and food that
16 has been prepared for immediate consumption) had not occurred.
17 For quarter monthly payments due under this paragraph on or
18 after July 1, 2023 and through June 30, 2024, "25% of the
19 taxpayer's liability for the same calendar month of the
20 preceding year" shall be determined as if the rate reduction
21 to 0% in Public Act 102-700 had not occurred. If any such
22 quarter monthly payment is not paid at the time or in the
23 amount required by this Section, then the taxpayer shall be
24 liable for penalties and interest on the difference between
25 the minimum amount due and the amount of such quarter monthly
26 payment actually and timely paid, except insofar as the

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

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

1 accordance with reasonable rules and regulations prescribed by
2 the Department. If the Department subsequently determines that
3 all or any part of the credit taken was not actually due to the
4 taxpayer, the taxpayer's vendor's discount shall be reduced,
5 if necessary, to reflect the difference between the credit
6 taken and that actually due, and the taxpayer shall be liable
7 for penalties and interest on such difference.

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

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

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

1 monthly returns.

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

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

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

6 In addition, with respect to motor vehicles, watercraft,
7 aircraft, and trailers that are required to be registered with
8 an agency of this State, every person who is engaged in the
9 business of leasing or renting such items and who, in
10 connection with such business, sells any such item to a
11 retailer for the purpose of resale is, notwithstanding any
12 other provision of this Section to the contrary, authorized to
13 meet the return-filing requirement of this Act by reporting
14 the transfer of all the aircraft, watercraft, motor vehicles,
15 or trailers transferred for resale during a month to the
16 Department on the same uniform invoice-transaction reporting
17 return form on or before the 20th of the month following the
18 month in which the transfer takes place. Notwithstanding any
19 other provision of this Act to the contrary, all returns filed
20 under this paragraph must be filed by electronic means in the
21 manner and form as required by the Department.

22 The transaction reporting return in the case of motor
23 vehicles or trailers that are required to be registered with
24 an agency of this State, shall be the same document as the
25 Uniform Invoice referred to in Section 5-402 of the Illinois
26 Vehicle Code and must show the name and address of the seller;

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

17 The transaction reporting return in the case of watercraft
18 and aircraft must show the name and address of the seller; the
19 name and address of the purchaser; the amount of the selling
20 price including the amount allowed by the retailer for
21 traded-in property, if any; the amount allowed by the retailer
22 for the traded-in tangible personal property, if any, to the
23 extent to which Section 2 of this Act allows an exemption for
24 the value of traded-in property; the balance payable after
25 deducting such trade-in allowance from the total selling
26 price; the amount of tax due from the retailer with respect to

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

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

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

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

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

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

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

7 On and after January 1, 2025, with respect to the lease of
8 trailers, other than semitrailers as defined in Section 1-187
9 of the Illinois Vehicle Code, that are required to be
10 registered with an agency of this State and that are subject to
11 the tax on lease receipts under this Act, notwithstanding any
12 other provision of this Act to the contrary, for the purpose of
13 reporting and paying tax under this Act on those lease
14 receipts, lessors shall file returns in addition to and
15 separate from the transaction reporting return. Lessors shall
16 file those lease returns and make payment to the Department by
17 electronic means on or before the 20th day of each month
18 following the month, quarter, or year, as applicable, in which
19 lease receipts were received. All lease receipts received by
20 the lessor from the lease of those trailers during the same
21 reporting period shall be reported and tax shall be paid on a
22 single return form to be prescribed by the Department.

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

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

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

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

1 Where the retailer has more than one business registered
2 with the Department under separate registration under this
3 Act, such retailer may not file each return that is due as a
4 single return covering all such registered businesses, but
5 shall file separate returns for each such registered business.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the State and Local Sales Tax Reform Fund, a special
8 fund in the State treasury which is hereby created, the net
9 revenue realized for the preceding month from the 1% tax
10 imposed under this Act.

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

18 Beginning January 1, 1990, each month the Department shall
19 pay into the State and Local Sales Tax Reform Fund, a special
20 fund in the State treasury, 20% of the net revenue realized for
21 the preceding month from the 6.25% general rate on the selling
22 price of tangible personal property, other than (i) tangible
23 personal property which is purchased outside Illinois at
24 retail from a retailer and which is titled or registered by an
25 agency of this State's government and (ii) aviation fuel sold
26 on or after December 1, 2019. This exception for aviation fuel

1 only applies for so long as the revenue use requirements of 49
2 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

3 For aviation fuel sold on or after December 1, 2019, each
4 month the Department shall pay into the State Aviation Program
5 Fund 20% of the net revenue realized for the preceding month
6 from the 6.25% general rate on the selling price of aviation
7 fuel, less an amount estimated by the Department to be
8 required for refunds of the 20% portion of the tax on aviation
9 fuel under this Act, which amount shall be deposited into the
10 Aviation Fuel Sales Tax Refund Fund. The Department shall only
11 pay moneys into the State Aviation Program Fund and the
12 Aviation Fuels Sales Tax Refund Fund under this Act for so long
13 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
14 U.S.C. 47133 are binding on the State.

15 Beginning August 1, 2000, each month the Department shall
16 pay into the State and Local Sales Tax Reform Fund 100% 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. If, in any
19 month, the tax on sales tax holiday items, as defined in
20 Section 3-6, is imposed at the rate of 1.25%, then the
21 Department shall pay 100% of the net revenue realized for that
22 month from the 1.25% rate on the selling price of sales tax
23 holiday items into the State and Local Sales Tax Reform Fund.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the Local Government Tax Fund 16% of the net revenue
26 realized for the preceding month from the 6.25% general rate

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

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

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

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

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

10 Beginning July 1, 2015, of the remainder of the moneys
11 received by the Department under this Act, the Service Use Tax
12 Act, the Service Occupation Tax Act, and the Retailers'
13 Occupation Tax Act, each month the Department shall deposit
14 \$500,000 into the State Crime Laboratory Fund.

15 Of the remainder of the moneys received by the Department
16 pursuant to this Act, (a) 1.75% thereof shall be paid into the
17 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
18 and after July 1, 1989, 3.8% thereof shall be paid into the
19 Build Illinois Fund; provided, however, that if in any fiscal
20 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
21 may be, of the moneys received by the Department and required
22 to be paid into the Build Illinois Fund pursuant to Section 3
23 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
24 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
25 Service Occupation Tax Act, such Acts being hereinafter called
26 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case

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

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

1 pledge, claim and charge set forth in Section 12 of the Build
2 Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
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	300,000,000
19	2022	300,000,000
20	2023	300,000,000
21	2024	300,000,000
22	2025	300,000,000
23	2026	300,000,000
24	2027	375,000,000
25	2028	375,000,000
26	2029	375,000,000

1	2030	375,000,000
2	2031	375,000,000
3	2032	375,000,000
4	2033	375,000,000
5	2034	375,000,000
6	2035	375,000,000
7	2036	450,000,000

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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

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

3 Subject to payment of amounts into the Capital Projects
4 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, for aviation fuel sold on or after December 1, 2019,
8 the Department shall each month deposit into the Aviation Fuel
9 Sales Tax Refund Fund an amount estimated by the Department to
10 be required for refunds of the 80% portion of the tax on
11 aviation fuel under this Act. The Department shall only
12 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
13 under this paragraph for so long as the revenue use
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
15 binding on the State.

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

24 Subject to payment of amounts into the Build Illinois
25 Fund, the McCormick Place Expansion Project Fund, the Illinois
26 Tax Increment Fund, and the Energy Infrastructure Fund

1 pursuant to the preceding paragraphs or in any amendments to
2 this Section hereafter enacted, beginning on the first day of
3 the first calendar month to occur on or after August 26, 2014
4 (the effective date of Public Act 98-1098), each month, from
5 the collections made under Section 9 of the Use Tax Act,
6 Section 9 of the Service Use Tax Act, Section 9 of the Service
7 Occupation Tax Act, and Section 3 of the Retailers' Occupation
8 Tax Act, the Department shall pay into the Tax Compliance and
9 Administration Fund, to be used, subject to appropriation, to
10 fund additional auditors and compliance personnel at the
11 Department of Revenue, an amount equal to $\frac{1}{12}$ of 5% of 80% of
12 the cash receipts collected during the preceding fiscal year
13 by the Audit Bureau of the Department under the Use Tax Act,
14 the Service Use Tax Act, the Service Occupation Tax Act, the
15 Retailers' Occupation Tax Act, and associated local occupation
16 and use taxes administered by the Department.

17 Subject to payments of amounts into the Build Illinois
18 Fund, the McCormick Place Expansion Project Fund, the Illinois
19 Tax Increment Fund, and the Tax Compliance and Administration
20 Fund as provided in this Section, beginning on July 1, 2018 the
21 Department shall pay each month into the Downstate Public
22 Transportation Fund the moneys required to be so paid under
23 Section 2-3 of the Downstate Public Transportation Act.

24 Subject to successful execution and delivery of a
25 public-private agreement between the public agency and private
26 entity and completion of the civic build, beginning on July 1,

2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim, and charge set forth in Section 25-55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", "public-private agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024	\$200,000,000
2025	\$206,000,000
2026	\$212,200,000
2027	\$218,500,000
2028	\$225,100,000
2029	\$288,700,000
2030	\$298,900,000

1	2031	\$309,300,000
2	2032	\$320,100,000
3	2033	\$331,200,000
4	2034	\$341,200,000
5	2035	\$351,400,000
6	2036	\$361,900,000
7	2037	\$372,800,000
8	2038	\$384,000,000
9	2039	\$395,500,000
10	2040	\$407,400,000
11	2041	\$419,600,000
12	2042	\$432,200,000
13	2043	\$445,100,000

14 Beginning July 1, 2021 and until July 1, 2022, subject to
15 the payment of amounts into the State and Local Sales Tax
16 Reform Fund, the Build Illinois Fund, the McCormick Place
17 Expansion Project Fund, the Illinois Tax Increment Fund, and
18 the Tax Compliance and Administration Fund as provided in this
19 Section, the Department shall pay each month into the Road
20 Fund the amount estimated to represent 16% of the net revenue
21 realized from the taxes imposed on motor fuel and gasohol.
22 Beginning July 1, 2022 and until July 1, 2023, subject to the
23 payment of amounts into the State and Local Sales Tax Reform
24 Fund, the Build Illinois Fund, the McCormick Place Expansion
25 Project Fund, the Illinois Tax Increment Fund, and the Tax
26 Compliance and Administration Fund as provided in this

1 Section, the Department shall pay each month into the Road
2 Fund the amount estimated to represent 32% of the net revenue
3 realized from the taxes imposed on motor fuel and gasohol.
4 Beginning July 1, 2023 and until July 1, 2024, subject to the
5 payment of amounts into the State and Local Sales Tax Reform
6 Fund, the Build Illinois Fund, the McCormick Place Expansion
7 Project Fund, the Illinois Tax Increment Fund, and the Tax
8 Compliance and Administration Fund as provided in this
9 Section, the Department shall pay each month into the Road
10 Fund the amount estimated to represent 48% of the net revenue
11 realized from the taxes imposed on motor fuel and gasohol.
12 Beginning July 1, 2024 and until July 1, 2026, subject to the
13 payment of amounts into the State and Local Sales Tax Reform
14 Fund, the Build Illinois Fund, the McCormick Place Expansion
15 Project Fund, the Illinois Tax Increment Fund, and the Tax
16 Compliance and Administration Fund as provided in this
17 Section, the Department shall pay each month into the Road
18 Fund the amount estimated to represent 64% of the net revenue
19 realized from the taxes imposed on motor fuel and gasohol.
20 Beginning on July 1, 2026, subject to the payment of amounts
21 into the State and Local Sales Tax Reform Fund, the Build
22 Illinois Fund, the McCormick Place Expansion Project Fund, the
23 Illinois Tax Increment Fund, and the Tax Compliance and
24 Administration Fund as provided in this Section, the
25 Department shall pay each month into the Road Fund the amount
26 estimated to represent 80% of the net revenue realized from

1 the taxes imposed on motor fuel and gasohol. As used in this
2 paragraph, "motor fuel" has the meaning given to that term in
3 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
4 meaning given to that term in Section 3-40 of this Act.

5 Until July 1, 2025, of the remainder of the moneys
6 received by the Department pursuant to this Act, 75% thereof
7 shall be paid into the State treasury and 25% shall be reserved
8 in a special account and used only for the transfer to the
9 Common School Fund as part of the monthly transfer from the
10 General Revenue Fund in accordance with Section 8a of the
11 State Finance Act. Beginning July 1, 2025, of the remainder of
12 the moneys received by the Department pursuant to this Act,
13 75% shall be deposited into the General Revenue Fund and 25%
14 shall be deposited into the Common School Fund.

15 As soon as possible after the first day of each month, upon
16 certification of the Department of Revenue, the Comptroller
17 shall order transferred and the Treasurer shall transfer from
18 the General Revenue Fund to the Motor Fuel Tax Fund an amount
19 equal to 1.7% of 80% of the net revenue realized under this Act
20 for the second preceding month. Beginning April 1, 2000, this
21 transfer is no longer required 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,

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

7 (Source: P.A. 103-154, eff. 6-30-23; 103-363, eff. 7-28-23;
8 103-592, Article 75, Section 75-5, eff. 1-1-25; 103-592,
9 Article 110, Section 110-5, eff. 6-7-24; 103-1055, eff.
10 12-20-24; 104-6, Article 5, Section 5-10, eff. 6-16-25; 104-6,
11 Article 35, Section 35-20, eff. 6-16-25; revised 1-12-26.)

12 (Text of Section after amendment by P.A. 104-457)

13 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
14 and trailers that are required to be registered with an agency
15 of this State, each retailer required or authorized to collect
16 the tax imposed by this Act shall pay to the Department the
17 amount of such tax (except as otherwise provided) at the time
18 when he is required to file his return for the period during
19 which such tax was collected, less a discount of 2.1% prior to
20 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
21 per calendar year, whichever is greater, which is allowed to
22 reimburse the retailer for expenses incurred in collecting the
23 tax, keeping records, preparing and filing returns, remitting
24 the tax and supplying data to the Department on request.
25 Beginning with returns due on or after January 1, 2025, the

1 discount allowed in this Section, the Retailers' Occupation
2 Tax Act, the Service Occupation Tax Act, and the Service Use
3 Tax Act, including any local tax administered by the
4 Department and reported on the same return, shall not exceed
5 \$1,000 per month in the aggregate for returns other than
6 transaction returns filed during the month. When determining
7 the discount allowed under this Section, retailers shall
8 include the amount of tax that would have been due at the 6.25%
9 rate but for the 1.25% rate imposed on sales tax holiday items
10 under Public Act 102-700 and under this amendatory Act of the
11 104th General Assembly. The discount under this Section is not
12 allowed for the 1.25% portion of taxes paid on aviation fuel
13 that is subject to the revenue use requirements of 49 U.S.C.
14 47107(b) and 49 U.S.C. 47133. When determining the discount
15 allowed under this Section, retailers shall include the amount
16 of tax that would have been due at the 1% rate but for the 0%
17 rate imposed under Public Act 102-700. In the case of
18 retailers who report and pay the tax on a transaction by
19 transaction basis, as provided in this Section, such discount
20 shall be taken with each such tax remittance instead of when
21 such retailer files his periodic return, but, beginning with
22 returns due on or after January 1, 2025, the discount allowed
23 under this Section and the Retailers' Occupation Tax Act,
24 including any local tax administered by the Department and
25 reported on the same transaction return, shall not exceed
26 \$1,000 per month for all transaction returns filed during the

1 month. The discount allowed under this Section is allowed only
2 for returns that are filed in the manner required by this Act.
3 The Department may disallow the discount for retailers whose
4 certificate of registration is revoked at the time the return
5 is filed, but only if the Department's decision to revoke the
6 certificate of registration has become final. A retailer need
7 not remit that part of any tax collected by him to the extent
8 that he is required to remit and does remit the tax imposed by
9 the Retailers' Occupation Tax Act, with respect to the sale of
10 the same property.

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

21 In the case of leases, except as otherwise provided in
22 this Act, the lessor, in collecting the tax, may collect for
23 each tax return period only the tax applicable to that part of
24 the selling price actually received during such tax return
25 period.

26 Except as provided in this Section, on or before the

1 twentieth day of each calendar month, such retailer shall file
2 a return for the preceding calendar month. Such return shall
3 be filed on forms prescribed by the Department and shall
4 furnish such information as the Department may reasonably
5 require. The return shall include the gross receipts on food
6 for human consumption that is to be consumed off the premises
7 where it is sold (other than alcoholic beverages, food
8 consisting of or infused with adult use cannabis, soft drinks,
9 and food that has been prepared for immediate consumption)
10 which were received during the preceding calendar month,
11 quarter, or year, as appropriate, and upon which tax would
12 have been due but for the 0% rate imposed under Public Act
13 102-700. The return shall also include the amount of tax that
14 would have been due on food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, food consisting of or infused with adult
17 use cannabis, soft drinks, and food that has been prepared for
18 immediate consumption) but for the 0% rate imposed under
19 Public Act 102-700.

20 On and after January 1, 2018, except for returns required
21 to be filed prior to January 1, 2023 for motor vehicles,
22 watercraft, aircraft, and trailers that are required to be
23 registered with an agency of this State, with respect to
24 retailers whose annual gross receipts average \$20,000 or more,
25 all returns required to be filed pursuant to this Act shall be
26 filed electronically. On and after January 1, 2023, with

1 respect to retailers whose annual gross receipts average
2 \$20,000 or more, all returns required to be filed pursuant to
3 this Act, including, but not limited to, returns for motor
4 vehicles, watercraft, aircraft, and trailers that are required
5 to be registered with an agency of this State, shall be filed
6 electronically. Retailers who demonstrate that they do not
7 have access to the Internet or demonstrate hardship in filing
8 electronically may petition the Department to waive the
9 electronic filing requirement.

10 The Department may require returns to be filed on a
11 quarterly basis. If so required, a return for each calendar
12 quarter shall be filed on or before the twentieth day of the
13 calendar month following the end of such calendar quarter. The
14 taxpayer shall also file a return with the Department for each
15 of the first 2 months of each calendar quarter, on or before
16 the twentieth day of the following calendar month, stating:

17 1. The name of the seller;

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

21 3. The total amount of taxable receipts received by
22 him during the preceding calendar month from sales of
23 tangible personal property by him during such preceding
24 calendar month, including receipts from charge and time
25 sales, but less all deductions allowed by law;

26 4. The amount of credit provided in Section 2d of this

1 Act;

2 5. The amount of tax due;

3 5-5. The signature of the taxpayer; and

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

6 Each retailer required or authorized to collect the tax
7 imposed by this Act on aviation fuel sold at retail in this
8 State during the preceding calendar month shall, instead of
9 reporting and paying tax on aviation fuel as otherwise
10 required by this Section, report and pay such tax on a separate
11 aviation fuel tax return. The requirements related to the
12 return shall be as otherwise provided in this Section.
13 Notwithstanding any other provisions of this Act to the
14 contrary, retailers collecting tax on aviation fuel shall file
15 all aviation fuel tax returns and shall make all aviation fuel
16 tax payments by electronic means in the manner and form
17 required by the Department. For purposes of this Section,
18 "aviation fuel" means jet fuel and aviation gasoline.

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

23 Notwithstanding any other provision of this Act to the
24 contrary, retailers subject to tax on cannabis shall file all
25 cannabis tax returns and shall make all cannabis tax payments
26 by electronic means in the manner and form required by the

1 Department.

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

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

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

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

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

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

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

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

1 reasonably foreseeable future will fall below the \$10,000
2 threshold stated above, then such taxpayer may petition the
3 Department for change in such taxpayer's reporting status. On
4 and after October 1, 2000, once applicable, the requirement of
5 the making of quarter monthly payments to the Department shall
6 continue until such taxpayer's average monthly liability to
7 the Department during the preceding 4 complete calendar
8 quarters (excluding the month of highest liability and the
9 month of lowest liability) is less than \$19,000 or until such
10 taxpayer's average monthly liability to the Department as
11 computed for each calendar quarter of the 4 preceding complete
12 calendar quarter period is less than \$20,000. However, if a
13 taxpayer can show the Department that a substantial change in
14 the taxpayer's business has occurred which causes the taxpayer
15 to anticipate that his average monthly tax liability for the
16 reasonably foreseeable future will fall below the \$20,000
17 threshold stated above, then such taxpayer may petition the
18 Department for a change in such taxpayer's reporting status.
19 The Department shall change such taxpayer's reporting status
20 unless it finds that such change is seasonal in nature and not
21 likely to be long term. Quarter monthly payment status shall
22 be determined under this paragraph as if the rate reduction to
23 1.25% in Public Act 102-700 and in this amendatory Act of the
24 104th General Assembly on sales tax holiday items had not
25 occurred. For quarter monthly payments due on or after July 1,
26 2023 and through June 30, 2024, and on or after July 1, 2027

1 through June 30, 2028, "25% of the taxpayer's liability for
2 the same calendar month of the preceding year" shall be
3 determined as if the rate reduction to 1.25% in Public Act
4 102-700 and in this amendatory Act of 104th General Assembly
5 on sales tax holiday items had not occurred. Quarter monthly
6 payment status shall be determined under this paragraph as if
7 the rate reduction to 0% in Public Act 102-700 on food for
8 human consumption that is to be consumed off the premises
9 where it is sold (other than alcoholic beverages, food
10 consisting of or infused with adult use cannabis, soft drinks,
11 and food that has been prepared for immediate consumption) had
12 not occurred. For quarter monthly payments due under this
13 paragraph on or after July 1, 2023 and through June 30, 2024,
14 "25% of the taxpayer's liability for the same calendar month
15 of the preceding year" shall be determined as if the rate
16 reduction to 0% in Public Act 102-700 had not occurred. If any
17 such quarter monthly payment is not paid at the time or in the
18 amount required by this Section, then the taxpayer shall be
19 liable for penalties and interest on the difference between
20 the minimum amount due and the amount of such quarter monthly
21 payment actually and timely paid, except insofar as the
22 taxpayer has previously made payments for that month to the
23 Department in excess of the minimum payments previously due as
24 provided in this Section. The Department shall make reasonable
25 rules and regulations to govern the quarter monthly payment
26 amount and quarter monthly payment dates for taxpayers who

1 file on other than a calendar monthly basis.

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

1 taken and that actually due, and the taxpayer shall be liable
2 for penalties and interest on such difference.

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

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

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

23 Notwithstanding any other provision in this Act concerning
24 the time within which a retailer may file his return, in the
25 case of any retailer who ceases to engage in a kind of business
26 which makes him responsible for filing returns under this Act,

1 such retailer shall file a final return under this Act with the
2 Department not more than one month after discontinuing such
3 business.

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

1 In addition, with respect to motor vehicles, watercraft,
2 aircraft, and trailers that are required to be registered with
3 an agency of this State, every person who is engaged in the
4 business of leasing or renting such items and who, in
5 connection with such business, sells any such item to a
6 retailer for the purpose of resale is, notwithstanding any
7 other provision of this Section to the contrary, authorized to
8 meet the return-filing requirement of this Act by reporting
9 the transfer of all the aircraft, watercraft, motor vehicles,
10 or trailers transferred for resale during a month to the
11 Department on the same uniform invoice-transaction reporting
12 return form on or before the 20th of the month following the
13 month in which the transfer takes place. Notwithstanding any
14 other provision of this Act to the contrary, all returns filed
15 under this paragraph must be filed by electronic means in the
16 manner and form as required by the Department.

17 The transaction reporting return in the case of motor
18 vehicles or trailers that are required to be registered with
19 an agency of this State, shall be the same document as the
20 Uniform Invoice referred to in Section 5-402 of the Illinois
21 Vehicle Code and must show the name and address of the seller;
22 the name and address of the purchaser; the amount of the
23 selling price including the amount allowed by the retailer for
24 traded-in property, if any; the amount allowed by the retailer
25 for the traded-in tangible personal property, if any, to the
26 extent to which Section 2 of this Act allows an exemption for

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

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

1 such other information as the Department may reasonably
2 require.

3 Such transaction reporting return shall be filed not later
4 than 20 days after the date of delivery of the item that is
5 being sold, but may be filed by the retailer at any time sooner
6 than that if he chooses to do so. The transaction reporting
7 return and tax remittance or proof of exemption from the tax
8 that is imposed by this Act may be transmitted to the
9 Department by way of the State agency with which, or State
10 officer with whom, the tangible personal property must be
11 titled or registered (if titling or registration is required)
12 if the Department and such agency or State officer determine
13 that this procedure will expedite the processing of
14 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 receipt
20 (or a certificate of exemption if the Department is satisfied
21 that the particular sale is tax exempt) which such purchaser
22 may submit to the agency with which, or State officer with
23 whom, he must title or register the tangible personal property
24 that is involved (if titling or registration is required) in
25 support of such purchaser's application for an Illinois
26 certificate or other evidence of title or registration to such

1 tangible personal property.

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

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

1 if the tax had been remitted to the Department by the retailer.

2 On and after January 1, 2025, with respect to the lease of
3 trailers, other than semitrailers as defined in Section 1-187
4 of the Illinois Vehicle Code, that are required to be
5 registered with an agency of this State and that are subject to
6 the tax on lease receipts under this Act, notwithstanding any
7 other provision of this Act to the contrary, for the purpose of
8 reporting and paying tax under this Act on those lease
9 receipts, lessors shall file returns in addition to and
10 separate from the transaction reporting return. Lessors shall
11 file those lease returns and make payment to the Department by
12 electronic means on or before the 20th day of each month
13 following the month, quarter, or year, as applicable, in which
14 lease receipts were received. All lease receipts received by
15 the lessor from the lease of those trailers during the same
16 reporting period shall be reported and tax shall be paid on a
17 single return form to be prescribed by the Department.

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

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

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

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

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

1 Beginning January 1, 1990, each month the Department shall
2 pay into the State and Local Sales Tax Reform Fund, a special
3 fund in the State treasury which is hereby created, the net
4 revenue realized for the preceding month from the 1% tax
5 imposed under this Act.

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

13 Beginning January 1, 1990, each month the Department shall
14 pay into the State and Local Sales Tax Reform Fund, a special
15 fund in the State treasury, 20% of the net revenue realized for
16 the preceding month from the 6.25% general rate on the selling
17 price of tangible personal property, other than (i) tangible
18 personal property which is purchased outside Illinois at
19 retail from a retailer and which is titled or registered by an
20 agency of this State's government and (ii) aviation fuel sold
21 on or after December 1, 2019. This exception for aviation fuel
22 only applies for so long as the revenue use requirements of 49
23 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

24 For aviation fuel sold on or after December 1, 2019, each
25 month the Department shall pay into the State Aviation Program
26 Fund 20% of the net revenue realized for the preceding month

1 from the 6.25% general rate on the selling price of aviation
2 fuel, less an amount estimated by the Department to be
3 required for refunds of the 20% portion of the tax on aviation
4 fuel under this Act, which amount shall be deposited into the
5 Aviation Fuel Sales Tax Refund Fund. The Department shall only
6 pay moneys into the State Aviation Program Fund and the
7 Aviation Fuels Sales Tax Refund Fund under this Act for so long
8 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
9 U.S.C. 47133 are binding on the State.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund 100% of the
12 net revenue realized for the preceding month from the 1.25%
13 rate on the selling price of motor fuel and gasohol. If, in any
14 month, the tax on sales tax holiday items, as defined in
15 Section 3-6, is imposed at the rate of 1.25%, then the
16 Department shall pay 100% of the net revenue realized for that
17 month from the 1.25% rate on the selling price of sales tax
18 holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

7 Beginning July 1, 2011, each month the Department shall
8 pay into the Clean Air Act Permit Fund 80% of the net revenue
9 realized for the preceding month from the 6.25% general rate
10 on the selling price of sorbents used in Illinois in the
11 process of sorbent injection as used to comply with the
12 Environmental Protection Act or the federal Clean Air Act, but
13 the total payment into the Clean Air Act Permit Fund under this
14 Act and the Retailers' Occupation Tax Act shall not exceed
15 \$2,000,000 in any fiscal year.

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

1 "average monthly deficit" shall be equal to the difference
2 between the average monthly claims for payment by the fund and
3 the average monthly revenues deposited into the fund,
4 excluding payments made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys
6 received by the Department under this Act, the Service Use Tax
7 Act, the Service Occupation Tax Act, and the Retailers'
8 Occupation Tax Act, each month the Department shall deposit
9 \$500,000 into the State Crime Laboratory Fund.

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

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

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

24 Subject to payment of amounts into the Build Illinois Fund
25 as provided in the preceding paragraph or in any amendment
26 thereto hereafter enacted, the following specified monthly

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

10	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	93,000,000
21	2003	99,000,000
22	2004	103,000,000
23	2005	108,000,000
24	2006	113,000,000
25	2007	119,000,000
26	2008	126,000,000

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	300,000,000
14	2022	300,000,000
15	2023	300,000,000
16	2024	300,000,000
17	2025	300,000,000
18	2026	300,000,000
19	2027	375,000,000
20	2028	375,000,000
21	2029	375,000,000
22	2030	375,000,000
23	2031	375,000,000
24	2032	375,000,000
25	2033	375,000,000
26	2034	375,000,000

1 2035 375,000,000

2 2036 450,000,000

3 and

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2060.

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

24 Subject to payment of amounts into the Capital Projects
25 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter
2 enacted, for aviation fuel sold on or after December 1, 2019,
3 the Department shall each month deposit into the Aviation Fuel
4 Sales Tax Refund Fund an amount estimated by the Department to
5 be required for refunds of the 80% portion of the tax on
6 aviation fuel under this Act. The Department shall only
7 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
8 under this paragraph for so long as the revenue use
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
10 binding on the State.

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

19 Subject to payment of amounts into the Build Illinois
20 Fund, the McCormick Place Expansion Project Fund, the Illinois
21 Tax Increment Fund, and the Energy Infrastructure Fund
22 pursuant to the preceding paragraphs or in any amendments to
23 this Section hereafter enacted, beginning on the first day of
24 the first calendar month to occur on or after August 26, 2014
25 (the effective date of Public Act 98-1098), each month, from
26 the collections made under Section 9 of the Use Tax Act,

1 Section 9 of the Service Use Tax Act, Section 9 of the Service
2 Occupation Tax Act, and Section 3 of the Retailers' Occupation
3 Tax Act, the Department shall pay into the Tax Compliance and
4 Administration Fund, to be used, subject to appropriation, to
5 fund additional auditors and compliance personnel at the
6 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
7 the cash receipts collected during the preceding fiscal year
8 by the Audit Bureau of the Department under the Use Tax Act,
9 the Service Use Tax Act, the Service Occupation Tax Act, the
10 Retailers' Occupation Tax Act, and associated local occupation
11 and use taxes administered by the Department.

12 Subject to payments of amounts into the Build Illinois
13 Fund, the McCormick Place Expansion Project Fund, the Illinois
14 Tax Increment Fund, and the Tax Compliance and Administration
15 Fund as provided in this Section, beginning on July 1, 2018 the
16 Department shall pay each month into the Downstate Public
17 Transportation Fund the moneys required to be so paid under
18 Section 2-3 of the Downstate Public Transportation Act.

19 Subject to successful execution and delivery of a
20 public-private agreement between the public agency and private
21 entity and completion of the civic build, beginning on July 1,
22 2023, of the remainder of the moneys received by the
23 Department under the Use Tax Act, the Service Use Tax Act, the
24 Service Occupation Tax Act, and this Act, the Department shall
25 deposit the following specified deposits in the aggregate from
26 collections under the Use Tax Act, the Service Use Tax Act, the

1 Service Occupation Tax Act, and the Retailers' Occupation Tax
2 Act, as required under Section 8.25g of the State Finance Act
3 for distribution consistent with the Public-Private
4 Partnership for Civic and Transit Infrastructure Project Act.
5 The moneys received by the Department pursuant to this Act and
6 required to be deposited into the Civic and Transit
7 Infrastructure Fund are subject to the pledge, claim, and
8 charge set forth in Section 25-55 of the Public-Private
9 Partnership for Civic and Transit Infrastructure Project Act.
10 As used in this paragraph, "civic build", "private entity",
11 "public-private agreement", and "public agency" have the
12 meanings provided in Section 25-10 of the Public-Private
13 Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024	\$200,000,000
2025	\$206,000,000
2026	\$212,200,000
2027	\$218,500,000
2028	\$225,100,000
2029	\$288,700,000
2030	\$298,900,000
2031	\$309,300,000
2032	\$320,100,000
2033	\$331,200,000
2034	\$341,200,000
2035	\$351,400,000

1	2036	\$361,900,000
2	2037	\$372,800,000
3	2038	\$384,000,000
4	2039	\$395,500,000
5	2040	\$407,400,000
6	2041	\$419,600,000
7	2042	\$432,200,000
8	2043	\$445,100,000

9 Beginning July 1, 2021 and until July 1, 2022, subject to
10 the payment of amounts into the State and Local Sales Tax
11 Reform Fund, the Build Illinois Fund, the McCormick Place
12 Expansion Project Fund, the Illinois Tax Increment Fund, and
13 the Tax Compliance and Administration Fund as provided in this
14 Section, the Department shall pay each month into the Road
15 Fund the amount estimated to represent 16% of the net revenue
16 realized from the taxes imposed on motor fuel and gasohol.
17 Beginning July 1, 2022 and until July 1, 2023, subject to the
18 payment of amounts into the State and Local Sales Tax Reform
19 Fund, the Build Illinois Fund, the McCormick Place Expansion
20 Project Fund, the Illinois Tax Increment Fund, and the Tax
21 Compliance and Administration Fund as provided in this
22 Section, the Department shall pay each month into the Road
23 Fund the amount estimated to represent 32% of the net revenue
24 realized from the taxes imposed on motor fuel and gasohol.
25 Beginning July 1, 2023 and until July 1, 2024, subject to the
26 payment of amounts into the State and Local Sales Tax Reform

1 Fund, the Build Illinois Fund, the McCormick Place Expansion
2 Project Fund, the Illinois Tax Increment Fund, and the Tax
3 Compliance and Administration Fund as provided in this
4 Section, the Department shall pay each month into the Road
5 Fund the amount estimated to represent 48% of the net revenue
6 realized from the taxes imposed on motor fuel and gasohol.
7 Beginning July 1, 2024 and until July 1, 2026, subject to the
8 payment of amounts into the State and Local Sales Tax Reform
9 Fund, the Build Illinois Fund, the McCormick Place Expansion
10 Project Fund, the Illinois Tax Increment Fund, and the Tax
11 Compliance and Administration Fund as provided in this
12 Section, the Department shall pay each month into the Road
13 Fund the amount estimated to represent 64% of the net revenue
14 realized from the taxes imposed on motor fuel and gasohol.
15 Beginning on July 1, 2026, subject to the payment of amounts
16 into the State and Local Sales Tax Reform Fund, the Build
17 Illinois Fund, the McCormick Place Expansion Project Fund, the
18 Illinois Tax Increment Fund, and the Tax Compliance and
19 Administration Fund as provided in this Section, the
20 Department shall pay each month into the Public Transportation
21 Fund and the Downstate Public Transportation Fund the amount
22 estimated to represent 80% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. Moneys shall be
24 apportioned as follows: 85% into the Public Transportation
25 Fund and 15% into the Downstate Public Transportation Fund. As
26 used in this paragraph, "motor fuel" has the meaning given to

1 that term in Section 1.1 of the Motor Fuel Tax Law, and
2 "gasohol" has the meaning given to that term in Section 3-40 of
3 this Act.

4 Until July 1, 2025, of the remainder of the moneys
5 received by the Department pursuant to this Act, 75% thereof
6 shall be paid into the State treasury and 25% shall be reserved
7 in a special account and used only for the transfer to the
8 Common School Fund as part of the monthly transfer from the
9 General Revenue Fund in accordance with Section 8a of the
10 State Finance Act. Beginning July 1, 2025, of the remainder of
11 the moneys received by the Department pursuant to this Act,
12 75% shall be deposited into the General Revenue Fund and 25%
13 shall be deposited into the Common School Fund.

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

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

25 For greater simplicity of administration, manufacturers,
26 importers and wholesalers whose products are sold at retail in

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

6 (Source: P.A. 103-154, eff. 6-30-23; 103-363, eff. 7-28-23;
7 103-592, Article 75, Section 75-5, eff. 1-1-25; 103-592,
8 Article 110, Section 110-5, eff. 6-7-24; 103-1055, eff.
9 12-20-24; 104-6, Article 5, Section 5-10, eff. 6-16-25; 104-6,
10 Article 35, Section 35-20, eff. 6-16-25; 104-457, eff.
11 6-1-26.)

12 Section 125-10. The Retailers' Occupation Tax Act is
13 amended by changing Sections 2-8, 2-10, and 3 as follows:

14 (35 ILCS 120/2-8)

15 Sec. 2-8. Sales tax holiday items.

16 (a) Any tangible personal property described in this
17 subsection is a sales tax holiday item and qualifies for the
18 1.25% reduced rate of tax for the period set forth in Section
19 2-10 of this Act (hereinafter referred to as the Sales Tax
20 Holiday Period). The reduced rate on these items shall be
21 administered under the provisions of subsection (b) of this
22 Section. The following items are subject to the reduced rate:

23 (1) Clothing items that each have a retail selling
24 price of less than \$125.

1 "Clothing" means, unless otherwise specified in this
2 Section, all human wearing apparel suitable for general
3 use. "Clothing" does not include clothing accessories,
4 protective equipment, or sport or recreational equipment.
5 "Clothing" includes, but is not limited to: household and
6 shop aprons; athletic supporters; bathing suits and caps;
7 belts and suspenders; boots; coats and jackets; ear muffs;
8 footlets; gloves and mittens for general use; hats and
9 caps; hosiery; insoles for shoes; lab coats; neckties;
10 overshoes; pantyhose; rainwear; rubber pants; sandals;
11 scarves; shoes and shoelaces; slippers; sneakers; socks
12 and stockings; steel-toed shoes; underwear; and school
13 uniforms.

14 "Clothing accessories" means, but is not limited to:
15 briefcases; cosmetics; hair notions, including, but not
16 limited to barrettes, hair bows, and hair nets; handbags;
17 handkerchiefs; jewelry; non-prescription sunglasses;
18 umbrellas; wallets; watches; and wigs and hair pieces.

19 "Protective equipment" means, but is not limited to:
20 breathing masks; clean room apparel and equipment; ear and
21 hearing protectors; face shields; hard hats; helmets;
22 paint or dust respirators; protective gloves; safety
23 glasses and goggles; safety belts; tool belts; and
24 welder's gloves and masks.

25 "Sport or recreational equipment" means, but is not
26 limited to: ballet and tap shoes; cleated or spiked

1 athletic shoes; gloves, including, but not limited to,
2 baseball, bowling, boxing, hockey, and golf gloves;
3 goggles; hand and elbow guards; life preservers and vests;
4 mouth guards; roller and ice skates; shin guards; shoulder
5 pads; ski boots; waders; and wetsuits and fins.

6 (2) School supplies. "School supplies" means, unless
7 otherwise specified in this Section, items used by a
8 student in a course of study. The purchase of school
9 supplies for use by persons other than students for use in
10 a course of study are not eligible for the reduced rate of
11 tax. "School supplies" do not include school art supplies;
12 school instructional materials; cameras; film and memory
13 cards; videocameras, tapes, and videotapes; computers;
14 cell phones; Personal Digital Assistants (PDAs); handheld
15 electronic schedulers; and school computer supplies.

16 "School supplies" includes, but is not limited to:
17 binders; book bags; calculators; cellophane tape;
18 blackboard chalk; compasses; composition books; crayons;
19 erasers; expandable, pocket, plastic, and manila folders;
20 glue, paste, and paste sticks; highlighters; index cards;
21 index card boxes; legal pads; lunch boxes; markers;
22 notebooks; paper, including loose leaf ruled notebook
23 paper, copy paper, graph paper, tracing paper, manila
24 paper, colored paper, poster board, and construction
25 paper; pencils; pencil leads; pens; ink and ink refills
26 for pens; pencil boxes and other school supply boxes;

1 pencil sharpeners; protractors; rulers; scissors; and
2 writing tablets.

3 "School art supply" means an item commonly used by a
4 student in a course of study for artwork and includes only
5 the following items: clay and glazes; acrylic, tempera,
6 and oil paint; paintbrushes for artwork; sketch and
7 drawing pads; and watercolors.

8 "School instructional material" means written material
9 commonly used by a student in a course of study as a
10 reference and to learn the subject being taught and
11 includes only the following items: reference books;
12 reference maps and globes; textbooks; and workbooks.

13 "School computer supply" means an item commonly used
14 by a student in a course of study in which a computer is
15 used and applies only to the following items: flashdrives
16 and other computer data storage devices; data storage
17 media, such as diskettes and compact disks; boxes and
18 cases for disk storage; external ports or drives; computer
19 cases; computer cables; computer printers; and printer
20 cartridges, toner, and ink.

21 (b) Administration. Notwithstanding any other provision of
22 this Act, the reduced rate of tax under Section 2-10 ~~3-10~~ of
23 this Act for clothing and school supplies shall be
24 administered by the Department under the provisions of this
25 subsection (b).

26 (1) Bundled sales. Items that qualify for the reduced

1 rate of tax that are bundled together with items that do
2 not qualify for the reduced rate of tax and that are sold
3 for one itemized price will be subject to the reduced rate
4 of tax only if the value of the items that qualify for the
5 reduced rate of tax exceeds the value of the items that do
6 not qualify for the reduced rate of tax.

7 (2) Coupons and discounts. An unreimbursed discount by
8 the seller reduces the sales price of the property so that
9 the discounted sales price determines whether the sales
10 price is within a sales tax holiday price threshold. A
11 coupon or other reduction in the sales price is treated as
12 a discount if the seller is not reimbursed for the coupon
13 or reduction amount by a third party.

14 (3) Splitting of items normally sold together.
15 Articles that are normally sold as a single unit must
16 continue to be sold in that manner. Such articles cannot
17 be priced separately and sold as individual items in order
18 to obtain the reduced rate of tax. For example, a pair of
19 shoes cannot have each shoe sold separately so that the
20 sales price of each shoe is within a sales tax holiday
21 price threshold.

22 (4) Rain checks. A rain check is a procedure that
23 allows a customer to purchase an item at a certain price at
24 a later time because the particular item was out of stock.
25 Eligible property that customers purchase during the Sales
26 Tax Holiday Period with the use of a rain check will

1 qualify for the reduced rate of tax regardless of when the
2 rain check was issued. Issuance of a rain check during the
3 Sales Tax Holiday Period will not qualify eligible
4 property for the reduced rate of tax if the property is
5 actually purchased after the Sales Tax Holiday Period.

6 (5) Exchanges. The procedure for an exchange in
7 regards to a sales tax holiday is as follows:

8 (A) If a customer purchases an item of eligible
9 property during the Sales Tax Holiday Period, but
10 later exchanges the item for a similar eligible item,
11 even if a different size, different color, or other
12 feature, no additional tax is due even if the exchange
13 is made after the Sales Tax Holiday Period.

14 (B) If a customer purchases an item of eligible
15 property during the Sales Tax Holiday Period, but
16 after the Sales Tax Holiday Period has ended, the
17 customer returns the item and receives credit on the
18 purchase of a different item, the 6.25% general
19 merchandise sales tax rate is due on the sale of the
20 newly purchased item.

21 (C) If a customer purchases an item of eligible
22 property before the Sales Tax Holiday Period, but
23 during the Sales Tax Holiday Period the customer
24 returns the item and receives credit on the purchase
25 of a different item of eligible property, the reduced
26 rate of tax is due on the sale of the new item if the

1 new item is purchased during the Sales Tax Holiday
2 Period.

3 (6) (Blank).

4 (7) Order date and back orders. For the purpose of a
5 sales tax holiday, eligible property qualifies for the
6 reduced rate of tax if: (i) the item is both delivered to
7 and paid for by the customer during the Sales Tax Holiday
8 Period or (ii) the customer orders and pays for the item
9 and the seller accepts the order during the Sales Tax
10 Holiday Period for immediate shipment, even if delivery is
11 made after the Sales Tax Holiday Period. The seller
12 accepts an order when the seller has taken action to fill
13 the order for immediate shipment. Actions to fill an order
14 include placement of an "in date" stamp on an order or
15 assignment of an "order number" to an order within the
16 Sales Tax Holiday Period. An order is for immediate
17 shipment when the customer does not request delayed
18 shipment. An order is for immediate shipment
19 notwithstanding that the shipment may be delayed because
20 of a backlog of orders or because stock is currently
21 unavailable to, or on back order by, the seller.

22 (8) Returns. For a 60-day period immediately after the
23 Sales Tax Holiday Period, if a customer returns an item
24 that would qualify for the reduced rate of tax, credit for
25 or refund of sales tax shall be given only at the reduced
26 rate unless the customer provides a receipt or invoice

1 that shows tax was paid at the 6.25% general merchandise
2 rate, or the seller has sufficient documentation to show
3 that tax was paid at the 6.25% general merchandise rate on
4 the specific item. This 60-day period is set solely for
5 the purpose of designating a time period during which the
6 customer must provide documentation that shows that the
7 appropriate sales tax rate was paid on returned
8 merchandise. The 60-day period is not intended to change a
9 seller's policy on the time period during which the seller
10 will accept returns.

11 (c) The Department may implement the provisions of this
12 Section through the use of emergency rules, along with
13 permanent rules filed concurrently with such emergency rules,
14 in accordance with the provisions of Section 5-45 of the
15 Illinois Administrative Procedure Act. For purposes of the
16 Illinois Administrative Procedure Act, the adoption of rules
17 to implement the provisions of this Section shall be deemed an
18 emergency and necessary for the public interest, safety, and
19 welfare.

20 (Source: P.A. 102-700, eff. 4-19-22.)

21 (35 ILCS 120/2-10) from Ch. 120, par. 441-10

22 Sec. 2-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 gross receipts from sales, which, on and after January 1,
25 2025, includes leases, of tangible personal property made in

1 the course of business.

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

6 Beginning on August 6, 2010 through August 15, 2010, and
7 beginning again on August 5, 2022 through August 14, 2022, and
8 beginning again on August 7, 2026 through August 16, 2026,
9 with respect to sales tax holiday items as defined in Section
10 2-8 of this Act, the tax is imposed at the rate of 1.25%.

11 Within 14 days after July 1, 2000 (the effective date of
12 Public Act 91-872), each retailer of motor fuel and gasohol
13 shall cause the following notice to be posted in a prominently
14 visible place on each retail dispensing device that is used to
15 dispense motor fuel or gasohol in the State of Illinois: "As of
16 July 1, 2000, the State of Illinois has eliminated the State's
17 share of sales tax on motor fuel and gasohol through December
18 31, 2000. The price on this pump should reflect the
19 elimination of the tax." The notice shall be printed in bold
20 print on a sign that is no smaller than 4 inches by 8 inches.
21 The sign shall be clearly visible to customers. Any retailer
22 who fails to post or maintain a required sign through December
23 31, 2000 is guilty of a petty offense for which the fine shall
24 be \$500 per day per each retail premises where a violation
25 occurs.

26 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act applies to (i) 70% of the proceeds of
2 sales made on or after January 1, 1990, and before July 1,
3 2003, (ii) 80% of the proceeds of sales made on or after July
4 1, 2003 and on or before July 1, 2017, (iii) 100% of the
5 proceeds of sales made after July 1, 2017 and prior to January
6 1, 2024, (iv) 90% of the proceeds of sales made on or after
7 January 1, 2024 and on or before December 31, 2028, and (v)
8 100% of the proceeds of sales made after December 31, 2028. If,
9 at any time, however, the tax under this Act on sales of
10 gasohol, as defined in the Use Tax Act, is imposed at the rate
11 of 1.25%, then the tax imposed by this Act applies to 100% of
12 the proceeds of sales of gasohol made during that time.

13 With respect to mid-range ethanol blends, as defined in
14 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
15 applies to (i) 80% of the proceeds of sales made on or after
16 January 1, 2024 and on or before December 31, 2028 and (ii)
17 100% of the proceeds of sales made after December 31, 2028. If,
18 at any time, however, the tax under this Act on sales of
19 mid-range ethanol blends is imposed at the rate of 1.25%, then
20 the tax imposed by this Act applies to 100% of the proceeds of
21 sales of mid-range ethanol blends made during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the proceeds of sales made on or after July 1, 2003 and on
25 or before December 31, 2028 but applies to 100% of the proceeds
26 of sales made thereafter.

1 With respect to biodiesel blends, as defined in the Use
2 Tax Act, with no less than 1% and no more than 10% biodiesel,
3 the tax imposed by this Act applies to (i) 80% of the proceeds
4 of sales made on or after July 1, 2003 and on or before
5 December 31, 2018 and (ii) 100% of the proceeds of sales made
6 after December 31, 2018 and before January 1, 2024. On and
7 after January 1, 2024 and on or before December 31, 2030, the
8 taxation of biodiesel, renewable diesel, and biodiesel blends
9 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
10 at any time, however, the tax under this Act on sales of
11 biodiesel blends, as defined in the Use Tax Act, with no less
12 than 1% and no more than 10% biodiesel is imposed at the rate
13 of 1.25%, then the tax imposed by this Act applies to 100% of
14 the proceeds of sales of biodiesel blends with no less than 1%
15 and no more than 10% biodiesel made during that time.

16 With respect to biodiesel, as defined in the Use Tax Act,
17 and biodiesel blends, as defined in the Use Tax Act, with more
18 than 10% but no more than 99% biodiesel, the tax imposed by
19 this Act does not apply to the proceeds of sales made on or
20 after July 1, 2003 and on or before December 31, 2023. On and
21 after January 1, 2024 and on or before December 31, 2030, the
22 taxation of biodiesel, renewable diesel, and biodiesel blends
23 shall be as provided in Section 3-5.1 of the Use Tax Act.

24 Until July 1, 2022 and from July 1, 2023 through December
25 31, 2025, with respect to food for human consumption that is to
26 be consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult
2 use cannabis, soft drinks, and food that has been prepared for
3 immediate consumption), the tax is imposed at the rate of 1%.
4 Beginning July 1, 2022 and until July 1, 2023, with respect to
5 food for human consumption that is to be consumed off the
6 premises where it is sold (other than alcoholic beverages,
7 food consisting of or infused with adult use cannabis, soft
8 drinks, and food that has been prepared for immediate
9 consumption), the tax is imposed at the rate of 0%. On and
10 after January 1, 2026, food for human consumption that is to be
11 consumed off the premises where it is sold (other than
12 alcoholic beverages, food consisting of or infused with adult
13 use cannabis, soft drinks, candy, and food that has been
14 prepared for immediate consumption) is exempt from the tax
15 imposed by this Act.

16 With respect to prescription and nonprescription
17 medicines, drugs, medical appliances, products classified as
18 Class III medical devices by the United States Food and Drug
19 Administration that are used for cancer treatment pursuant to
20 a prescription, as well as any accessories and components
21 related to those devices, modifications to a motor vehicle for
22 the purpose of rendering it usable by a person with a
23 disability, and insulin, blood sugar testing materials,
24 syringes, and needles used by human diabetics, the tax is
25 imposed at the rate of 1%. For the purposes of this Section,
26 until September 1, 2009: the term "soft drinks" means any

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

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

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

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

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

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

25 (A) a "Drug Facts" panel; or

26 (B) a statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

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

8 As used in this Section, "adult use cannabis" means
9 cannabis subject to tax under the Cannabis Cultivation
10 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
11 and does not include cannabis subject to tax under the
12 Compassionate Use of Medical Cannabis Program Act.

13 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
14 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.
15 8-15-25.)

16 (35 ILCS 120/3)

17 (Text of Section before amendment by P.A. 104-457)

18 Sec. 3. Except as provided in this Section, on or before
19 the twentieth day of each calendar month, every person engaged
20 in the business of selling, which, on and after January 1,
21 2025, includes leasing, tangible personal property at retail
22 in this State during the preceding calendar month shall file a
23 return with the Department, stating:

24 1. The name of the seller;

25 2. His residence address and the address of his

1 principal place of business and the address of the
2 principal place of business (if that is a different
3 address) from which he engages in the business of selling
4 tangible personal property at retail in this State;

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

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

15 5. Deductions allowed by law;

16 6. Gross receipts which were received by him during
17 the preceding calendar month or quarter and upon the basis
18 of which the tax is imposed, including gross receipts on
19 food for human consumption that is to be consumed off the
20 premises where it is sold (other than alcoholic beverages,
21 food consisting of or infused with adult use cannabis,
22 soft drinks, and food that has been prepared for immediate
23 consumption) which were received during the preceding
24 calendar month or quarter and upon which tax would have
25 been due but for the 0% rate imposed under Public Act
26 102-700;

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

3 8. The amount of tax due, including the amount of tax
4 that would have been due on food for human consumption
5 that is to be consumed off the premises where it is sold
6 (other than alcoholic beverages, food consisting of or
7 infused with adult use cannabis, soft drinks, and food
8 that has been prepared for immediate consumption) but for
9 the 0% rate imposed under Public Act 102-700;

10 9. The signature of the taxpayer; and

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

13 In the case of leases, except as otherwise provided in
14 this Act, the lessor must remit for each tax return period only
15 the tax applicable to that part of the selling price actually
16 received during such tax return period.

17 On and after January 1, 2018, except for returns required
18 to be filed prior to January 1, 2023 for motor vehicles,
19 watercraft, aircraft, and trailers that are required to be
20 registered with an agency of this State, with respect to
21 retailers whose annual gross receipts average \$20,000 or more,
22 all returns required to be filed pursuant to this Act shall be
23 filed electronically. On and after January 1, 2023, with
24 respect to retailers whose annual gross receipts average
25 \$20,000 or more, all returns required to be filed pursuant to
26 this Act, including, but not limited to, returns for motor

1 vehicles, watercraft, aircraft, and trailers that are required
2 to be registered with an agency of this State, shall be filed
3 electronically. Retailers who demonstrate that they do not
4 have access to the Internet or demonstrate hardship in filing
5 electronically may petition the Department to waive the
6 electronic filing requirement.

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

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

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

1 this Act after October 20, 2003 for reporting periods prior to
2 September 1, 2004 shall be disallowed. Manufacturer's Purchase
3 Credit reported on annual returns due on or after January 1,
4 2005 will be disallowed for periods prior to September 1,
5 2004. No Manufacturer's Purchase Credit may be used after
6 September 30, 2003 through August 31, 2004 to satisfy any tax
7 liability imposed under this Act, including any audit
8 liability.

9 Beginning on July 1, 2023 and through December 31, 2032, a
10 retailer may accept a Sustainable Aviation Fuel Purchase
11 Credit certification from an air common carrier-purchaser in
12 satisfaction of Use Tax on aviation fuel as provided in
13 Section 3-87 of the Use Tax Act if the purchaser provides the
14 appropriate documentation as required by Section 3-87 of the
15 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
16 certification accepted by a retailer in accordance with this
17 paragraph may be used by that retailer to satisfy Retailers'
18 Occupation Tax liability (but not in satisfaction of penalty
19 or interest) in the amount claimed in the certification, not
20 to exceed 6.25% of the receipts subject to tax from a sale of
21 aviation fuel. In addition, for a sale of aviation fuel to
22 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
23 retailers must retain in their books and records a
24 certification from the producer of the aviation fuel that the
25 aviation fuel sold by the retailer and for which a sustainable
26 aviation fuel purchase credit was earned meets the definition

1 of sustainable aviation fuel under Section 3-87 of the Use Tax
2 Act. The documentation must include detail sufficient for the
3 Department to determine the number of gallons of sustainable
4 aviation fuel sold.

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. The
9 taxpayer shall also file a return with the Department for each
10 of the first 2 months of each calendar quarter, on or before
11 the twentieth day of the following calendar month, stating:

12 1. The name of the seller;

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

16 3. The total amount of taxable receipts received by
17 him during the preceding calendar month from sales of
18 tangible personal property by him during such preceding
19 calendar month, including receipts from charge and time
20 sales, but less all deductions allowed by law;

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

23 5. The amount of tax due; and

24 6. Such other reasonable information as the Department
25 may require.

26 Every person engaged in the business of selling aviation

1 fuel at retail in this State during the preceding calendar
2 month shall, instead of reporting and paying tax as otherwise
3 required by this Section, report and pay such tax on a separate
4 aviation fuel tax return. The requirements related to the
5 return shall be as otherwise provided in this Section.
6 Notwithstanding any other provisions of this Act to the
7 contrary, retailers selling aviation fuel shall file all
8 aviation fuel tax returns and shall make all aviation fuel tax
9 payments by electronic means in the manner and form required
10 by the Department. For purposes of this Section, "aviation
11 fuel" means jet fuel and aviation gasoline.

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

26 Beginning on October 1, 2003, every distributor, importing

1 distributor, and manufacturer of alcoholic liquor as defined
2 in the Liquor Control Act of 1934, shall file a statement with
3 the Department of Revenue, no later than the 10th day of the
4 month for the preceding month during which transactions
5 occurred, by electronic means, showing the total amount of
6 gross receipts from the sale of alcoholic liquor sold or
7 distributed during the preceding month to purchasers;
8 identifying the purchaser to whom it was sold or distributed;
9 the purchaser's tax registration number; and such other
10 information reasonably required by the Department. A
11 distributor, importing distributor, or manufacturer of
12 alcoholic liquor must personally deliver, mail, or provide by
13 electronic means to each retailer listed on the monthly
14 statement a report containing a cumulative total of that
15 distributor's, importing distributor's, or manufacturer's
16 total sales of alcoholic liquor to that retailer no later than
17 the 10th day of the month for the preceding month during which
18 the transaction occurred. The distributor, importing
19 distributor, or manufacturer shall notify the retailer as to
20 the method by which the distributor, importing distributor, or
21 manufacturer will provide the sales information. If the
22 retailer is unable to receive the sales information by
23 electronic means, the distributor, importing distributor, or
24 manufacturer shall furnish the sales information by personal
25 delivery or by mail. For purposes of this paragraph, the term
26 "electronic means" includes, but is not limited to, the use of

1 a secure Internet website, e-mail, or facsimile.

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

6 Notwithstanding any other provision of this Act to the
7 contrary, retailers subject to tax on cannabis shall file all
8 cannabis tax returns and shall make all cannabis tax payments
9 by electronic means in the manner and form required by the
10 Department.

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

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

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

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

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

25 Any amount which is required to be shown or reported on any
26 return or other document under this Act shall, if such amount

1 is not a whole-dollar amount, be increased to the nearest
2 whole-dollar amount in any case where the fractional part of a
3 dollar is 50 cents or more, and decreased to the nearest
4 whole-dollar amount where the fractional part of a dollar is
5 less than 50 cents.

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

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

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

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

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

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

11 In addition, with respect to motor vehicles, watercraft,
12 aircraft, and trailers that are required to be registered with
13 an agency of this State, every person who is engaged in the
14 business of leasing or renting such items and who, in
15 connection with such business, sells any such item to a
16 retailer for the purpose of resale is, notwithstanding any
17 other provision of this Section to the contrary, authorized to
18 meet the return-filing requirement of this Act by reporting
19 the transfer of all the aircraft, watercraft, motor vehicles,
20 or trailers transferred for resale during a month to the
21 Department on the same uniform invoice-transaction reporting
22 return form on or before the 20th of the month following the
23 month in which the transfer takes place. Notwithstanding any
24 other provision of this Act to the contrary, all returns filed
25 under this paragraph must be filed by electronic means in the
26 manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,
2 aircraft, or trailers that are required to be registered with
3 an agency of this State, so that all retailers' occupation tax
4 liability is required to be reported, and is reported, on such
5 transaction reporting returns and who is not otherwise
6 required to file monthly or quarterly returns, need not file
7 monthly or quarterly returns. However, those retailers shall
8 be required to file returns on an annual basis.

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

1 other information as is required in Section 5-402 of the
2 Illinois Vehicle Code, and such other information as the
3 Department may reasonably require.

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

21 Such transaction reporting return shall be filed not later
22 than 20 days after the day of delivery of the item that is
23 being sold, but may be filed by the retailer at any time sooner
24 than that if he chooses to do so. The transaction reporting
25 return and tax remittance or proof of exemption from the
26 Illinois use tax may be transmitted to the Department by way of

1 the State agency with which, or State officer with whom the
2 tangible personal property must be titled or registered (if
3 titling or registration is required) if the Department and
4 such agency or State officer determine that this procedure
5 will expedite the processing of applications for title or
6 registration.

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

20 No retailer's failure or refusal to remit tax under this
21 Act precludes a user, who has paid the proper tax to the
22 retailer, from obtaining his certificate of title or other
23 evidence of title or registration (if titling or registration
24 is required) upon satisfying the Department that such user has
25 paid the proper tax (if tax is due) to the retailer. The
26 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 the tax or proof of exemption made to the Department before
5 the retailer is willing to take these actions and such user has
6 not paid the tax to the retailer, such user may certify to the
7 fact of such delay by the retailer and may (upon the Department
8 being satisfied of the truth of such certification) transmit
9 the information required by the transaction reporting return
10 and the remittance for tax or proof of exemption directly to
11 the Department and obtain his tax receipt or exemption
12 determination, in which event the transaction reporting return
13 and tax remittance (if a tax payment was required) shall be
14 credited by the Department to the proper retailer's account
15 with the Department, but without the vendor's discount
16 provided for in this Section being allowed. When the user pays
17 the tax directly to the Department, he shall pay the tax in the
18 same amount and in the same form in which it would be remitted
19 if the tax had been remitted to the Department by the retailer.

20 On and after January 1, 2025, with respect to the lease of
21 trailers, other than semitrailers as defined in Section 1-187
22 of the Illinois Vehicle Code, that are required to be
23 registered with an agency of this State and that are subject to
24 the tax on lease receipts under this Act, notwithstanding any
25 other provision of this Act to the contrary, for the purpose of
26 reporting and paying tax under this Act on those lease

1 receipts, lessors shall file returns in addition to and
2 separate from the transaction reporting return. Lessors shall
3 file those lease returns and make payment to the Department by
4 electronic means on or before the 20th day of each month
5 following the month, quarter, or year, as applicable, in which
6 lease receipts were received. All lease receipts received by
7 the lessor from the lease of those trailers during the same
8 reporting period shall be reported and tax shall be paid on a
9 single return form to be prescribed by the Department.

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

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

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

26 Except as provided in this Section, the retailer filing

1 the return under this Section shall, at the time of filing such
2 return, pay to the Department the amount of tax imposed by this
3 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
4 on and after January 1, 1990, or \$5 per calendar year,
5 whichever is greater, which is allowed to reimburse the
6 retailer for the expenses incurred in keeping records,
7 preparing and filing returns, remitting the tax and supplying
8 data to the Department on request. A ~~a~~ certified service
9 provider, as defined in the Leveling the Playing Field for
10 Illinois Retail Act, filing the return under this Section on
11 behalf of a remote retailer or a retailer maintaining a place
12 of business in this State shall, at the time of such return,
13 pay to the Department the amount of tax imposed by this Act
14 less a discount of 1.75%. A remote retailer or a retailer
15 maintaining a place of business in this State using a
16 certified service provider to file a return on its behalf, as
17 provided in the Leveling the Playing Field for Illinois Retail
18 Act, is not eligible for the discount. Beginning with returns
19 due on or after January 1, 2025, the vendor's discount allowed
20 in this Section, the Service Occupation Tax Act, the Use Tax
21 Act, and the Service Use Tax Act, including any local tax
22 administered by the Department and reported on the same
23 return, shall not exceed \$1,000 per month in the aggregate for
24 returns other than transaction returns filed during the month.
25 When determining the discount allowed under this Section,
26 retailers shall include the amount of tax that would have been

1 due at the 1% rate but for the 0% rate imposed under Public Act
2 102-700. When determining the discount allowed under this
3 Section, retailers shall include the amount of tax that would
4 have been due at the 6.25% rate but for the 1.25% rate imposed
5 on sales tax holiday items under Public Act 102-700 and under
6 this amendatory Act of the 104th General Assembly. The
7 discount under this Section is not allowed for the 1.25%
8 portion of taxes paid on aviation fuel that is subject to the
9 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
10 47133. Any prepayment made pursuant to Section 2d of this Act
11 shall be included in the amount on which such discount is
12 computed. In the case of retailers who report and pay the tax
13 on a transaction by transaction basis, as provided in this
14 Section, such discount shall be taken with each such tax
15 remittance instead of when such retailer files his periodic
16 return, but, beginning with returns due on or after January 1,
17 2025, the vendor's discount allowed under this Section and the
18 Use Tax Act, including any local tax administered by the
19 Department and reported on the same transaction return, shall
20 not exceed \$1,000 per month for all transaction returns filed
21 during the month. The discount allowed under this Section is
22 allowed only for returns that are filed in the manner required
23 by this Act. The Department may disallow the discount for
24 retailers whose certificate of registration is revoked at the
25 time the return is filed, but only if the Department's
26 decision to revoke the certificate of registration has become

1 final.

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

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

24 If the month during which such tax liability is incurred began
25 prior to January 1, 1985, each payment shall be in an amount
26 equal to 1/4 of the taxpayer's actual liability for the month

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

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

1 quarters (excluding the month of highest liability and the
2 month of lowest liability) is less than \$19,000 or until such
3 taxpayer's average monthly liability to the Department as
4 computed for each calendar quarter of the 4 preceding complete
5 calendar quarter period is less than \$20,000. However, if a
6 taxpayer can show the Department that a substantial change in
7 the taxpayer's business has occurred which causes the taxpayer
8 to anticipate that his average monthly tax liability for the
9 reasonably foreseeable future will fall below the \$20,000
10 threshold stated above, then such taxpayer may petition the
11 Department for a change in such taxpayer's reporting status.
12 The Department shall change such taxpayer's reporting status
13 unless it finds that such change is seasonal in nature and not
14 likely to be long term. Quarter monthly payment status shall
15 be determined under this paragraph as if the rate reduction to
16 0% in Public Act 102-700 on food for human consumption that is
17 to be consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption) had not occurred. For quarter monthly
21 payments due under this paragraph on or after July 1, 2023 and
22 through June 30, 2024, "25% of the taxpayer's liability for
23 the same calendar month of the preceding year" shall be
24 determined as if the rate reduction to 0% in Public Act 102-700
25 had not occurred. Quarter monthly payment status shall be
26 determined under this paragraph as if the rate reduction to

1 1.25% in Public Act 102-700 and in this amendatory Act of the
2 104th General Assembly on sales tax holiday items had not
3 occurred. For quarter monthly payments due on or after July 1,
4 2023 and through June 30, 2024, and on or after July 1, 2027
5 and through June 30, 2028, "25% of the taxpayer's liability
6 for the same calendar month of the preceding year" shall be
7 determined as if the rate reduction to 1.25% in Public Act
8 102-700 and in this amendatory Act of the 104th General
9 Assembly on sales tax holiday items had not occurred. If any
10 such quarter monthly payment is not paid at the time or in the
11 amount required by this Section, then the taxpayer shall be
12 liable for penalties and interest on the difference between
13 the minimum amount due as a payment and the amount of such
14 quarter monthly payment actually and timely paid, except
15 insofar as the taxpayer has previously made payments for that
16 month to the Department in excess of the minimum payments
17 previously due as provided in this Section. The Department
18 shall make reasonable rules and regulations to govern the
19 quarter monthly payment amount and quarter monthly payment
20 dates for taxpayers who file on other than a calendar monthly
21 basis.

22 The provisions of this paragraph apply before October 1,
23 2001. Without regard to whether a taxpayer is required to make
24 quarter monthly payments as specified above, any taxpayer who
25 is required by Section 2d of this Act to collect and remit
26 prepaid taxes and has collected prepaid taxes which average in

1 excess of \$25,000 per month during the preceding 2 complete
2 calendar quarters, shall file a return with the Department as
3 required by Section 2f and shall make payments to the
4 Department on or before the 7th, 15th, 22nd and last day of the
5 month during which such liability is incurred. If the month
6 during which such tax liability is incurred began prior to
7 September 1, 1985 (the effective date of Public Act 84-221),
8 each payment shall be in an amount not less than 22.5% of the
9 taxpayer's actual liability under Section 2d. If the month
10 during which such tax liability is incurred begins on or after
11 January 1, 1986, each payment shall be in an amount equal to
12 22.5% of the taxpayer's actual liability for the month or
13 27.5% of the taxpayer's liability for the same calendar month
14 of the preceding calendar year. If the month during which such
15 tax liability is incurred begins on or after January 1, 1987,
16 each payment shall be in an amount equal to 22.5% of the
17 taxpayer's actual liability for the month or 26.25% of the
18 taxpayer's liability for the same calendar month of the
19 preceding year. The amount of such quarter monthly payments
20 shall be credited against the final tax liability of the
21 taxpayer's return for that month filed under this Section or
22 Section 2f, as the case may be. Once applicable, the
23 requirement of the making of quarter monthly payments to the
24 Department pursuant to this paragraph shall continue until
25 such taxpayer's average monthly prepaid tax collections during
26 the preceding 2 complete calendar quarters is \$25,000 or less.

1 If any such quarter monthly payment is not paid at the time or
2 in the amount required, the taxpayer shall be liable for
3 penalties and interest on such difference, except insofar as
4 the taxpayer has previously made payments for that month in
5 excess of the minimum payments previously due.

6 The provisions of this paragraph apply on and after
7 October 1, 2001. Without regard to whether a taxpayer is
8 required to make quarter monthly payments as specified above,
9 any taxpayer who is required by Section 2d of this Act to
10 collect and remit prepaid taxes and has collected prepaid
11 taxes that average in excess of \$20,000 per month during the
12 preceding 4 complete calendar quarters shall file a return
13 with the Department as required by Section 2f and shall make
14 payments to the Department on or before the 7th, 15th, 22nd,
15 and last day of the month during which the liability is
16 incurred. Each payment shall be in an amount equal to 22.5% of
17 the taxpayer's actual liability for the month or 25% of the
18 taxpayer's liability for the same calendar month of the
19 preceding year. The amount of the quarter monthly payments
20 shall be credited against the final tax liability of the
21 taxpayer's return for that month filed under this Section or
22 Section 2f, as the case may be. Once applicable, the
23 requirement of the making of quarter monthly payments to the
24 Department pursuant to this paragraph shall continue until the
25 taxpayer's average monthly prepaid tax collections during the
26 preceding 4 complete calendar quarters (excluding the month of

1 highest liability and the month of lowest liability) is less
2 than \$19,000 or until such taxpayer's average monthly
3 liability to the Department as computed for each calendar
4 quarter of the 4 preceding complete calendar quarters is less
5 than \$20,000. If any such quarter monthly payment is not paid
6 at the time or in the amount required, the taxpayer shall be
7 liable for penalties and interest on such difference, except
8 insofar as the taxpayer has previously made payments for that
9 month in excess of the minimum payments previously due.

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

1 taken was not actually due to the taxpayer, the taxpayer's
2 vendor's discount shall be reduced, if necessary, to reflect
3 the difference between the credit taken and that actually due,
4 and that taxpayer shall be liable for penalties and interest
5 on such difference.

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

11 The net revenue realized at the 15% rate under either
12 Section 4 or Section 5 of this Act shall be deposited as
13 follows: (i) notwithstanding the provisions of this Section to
14 the contrary, the net revenue realized from the portion of the
15 rate in excess of 5% shall be deposited into the State and
16 Local Sales Tax Reform Fund; and (ii) the net revenue realized
17 from the 5% portion of the rate shall be deposited as provided
18 in this Section for the 5% portion of the 6.25% general rate
19 imposed under this Act.

20 Beginning January 1, 1990, each month the Department shall
21 pay into the Local Government Tax Fund, a special fund in the
22 State treasury which is hereby created, the net revenue
23 realized for the preceding month from the 1% tax imposed under
24 this Act.

25 Beginning January 1, 1990, each month the Department shall
26 pay into the County and Mass Transit District Fund, a special

1 fund in the State treasury which is hereby created, 4% of the
2 net revenue realized for the preceding month from the 6.25%
3 general rate other than aviation fuel sold on or after
4 December 1, 2019. This exception for aviation fuel only
5 applies for so long as the revenue use requirements of 49
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

7 Beginning August 1, 2000, each month the Department shall
8 pay into the County and Mass Transit District Fund 20% of the
9 net revenue realized for the preceding month from the 1.25%
10 rate on the selling price of motor fuel and gasohol. If, in any
11 month, the tax on sales tax holiday items, as defined in
12 Section 2-8, is imposed at the rate of 1.25%, then the
13 Department shall pay 20% of the net revenue realized for that
14 month from the 1.25% rate on the selling price of sales tax
15 holiday items into the County and Mass Transit District Fund.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the Local Government Tax Fund 16% of the net revenue
18 realized for the preceding month from the 6.25% general rate
19 on the selling price of tangible personal property other than
20 aviation fuel sold on or after December 1, 2019. This
21 exception for aviation fuel only applies for so long as the
22 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
23 47133 are binding on the State.

24 For aviation fuel sold on or after December 1, 2019, each
25 month the Department shall pay into the State Aviation Program
26 Fund 20% of the net revenue realized for the preceding month

1 from the 6.25% general rate on the selling price of aviation
2 fuel, less an amount estimated by the Department to be
3 required for refunds of the 20% portion of the tax on aviation
4 fuel under this Act, which amount shall be deposited into the
5 Aviation Fuel Sales Tax Refund Fund. The Department shall only
6 pay moneys into the State Aviation Program Fund and the
7 Aviation Fuel Sales Tax Refund Fund under this Act for so long
8 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
9 U.S.C. 47133 are binding on the State.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the Local Government Tax Fund 80% of the net revenue
12 realized for the preceding month from the 1.25% rate on the
13 selling price of motor fuel and gasohol. If, in any month, the
14 tax on sales tax holiday items, as defined in Section 2-8, is
15 imposed at the rate of 1.25%, then the Department shall pay 80%
16 of the net revenue realized for that month from the 1.25% rate
17 on the selling price of sales tax holiday items into the Local
18 Government Tax Fund.

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

26 Beginning July 1, 2011, each month the Department shall

1 pay into the Clean Air Act Permit Fund 80% of the net revenue
2 realized for the preceding month from the 6.25% general rate
3 on the selling price of sorbents used in Illinois in the
4 process of sorbent injection as used to comply with the
5 Environmental Protection Act or the federal Clean Air Act, but
6 the total payment into the Clean Air Act Permit Fund under this
7 Act and the Use Tax Act shall not exceed \$2,000,000 in any
8 fiscal year.

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

24 Beginning July 1, 2015, of the remainder of the moneys
25 received by the Department under the Use Tax Act, the Service
26 Use Tax Act, the Service Occupation Tax Act, and this Act, each

1 month the Department shall deposit \$500,000 into the State
2 Crime Laboratory Fund.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000

1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

6 and means the Certified Annual Debt Service Requirement (as
7 defined in Section 13 of the Build Illinois Bond Act) or the
8 Tax Act Amount, whichever is greater, for fiscal year 1994 and
9 each fiscal year thereafter; and further provided, that if on
10 the last business day of any month the sum of (1) the Tax Act
11 Amount required to be deposited into the Build Illinois Bond
12 Account in the Build Illinois Fund during such month and (2)
13 the amount transferred to the Build Illinois Fund from the
14 State and Local Sales Tax Reform Fund shall have been less than
15 1/12 of the Annual Specified Amount, an amount equal to the
16 difference shall be immediately paid into the Build Illinois
17 Fund from other moneys received by the Department pursuant to
18 the Tax Acts; and, further provided, that in no event shall the
19 payments required under the preceding proviso result in
20 aggregate payments into the Build Illinois Fund pursuant to
21 this clause (b) for any fiscal year in excess of the greater of
22 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
23 such fiscal year. The amounts payable into the Build Illinois
24 Fund under clause (b) of the first sentence in this paragraph
25 shall be payable only until such time as the aggregate amount
26 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 on
6 any Bonds expected to be issued thereafter and all fees and
7 costs payable with respect thereto, all as certified by the
8 Director of the Bureau of the Budget (now Governor's Office of
9 Management and Budget). If on the last business day of any
10 month in which Bonds are outstanding pursuant to the Build
11 Illinois Bond Act, the aggregate of moneys deposited into ~~in~~
12 the Build Illinois Bond Account in the Build Illinois Fund in
13 such month shall be less than the amount required to be
14 transferred in such month from the Build Illinois Bond Account
15 to the Build Illinois Bond Retirement and Interest Fund
16 pursuant to Section 13 of the Build Illinois Bond Act, an
17 amount equal to such deficiency shall be immediately paid from
18 other moneys received by the Department pursuant to the Tax
19 Acts to the Build Illinois Fund; provided, however, that any
20 amounts paid to the Build Illinois Fund in any fiscal year
21 pursuant to this sentence shall be deemed to constitute
22 payments pursuant to clause (b) of the first sentence of this
23 paragraph and shall reduce the amount otherwise payable for
24 such fiscal year pursuant to that clause (b). The moneys
25 received by the Department pursuant to this Act and required
26 to be deposited into the Build Illinois Fund are subject to the

1 pledge, claim and charge set forth in Section 12 of the Build
2 Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
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	300,000,000
19	2022	300,000,000
20	2023	300,000,000
21	2024	300,000,000
22	2025	300,000,000
23	2026	300,000,000
24	2027	375,000,000
25	2028	375,000,000
26	2029	375,000,000

1	2030	375,000,000
2	2031	375,000,000
3	2032	375,000,000
4	2033	375,000,000
5	2034	375,000,000
6	2035	375,000,000
7	2036	450,000,000

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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

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

3 Subject to payment of amounts into the Capital Projects
4 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, for aviation fuel sold on or after December 1, 2019,
8 the Department shall each month deposit into the Aviation Fuel
9 Sales Tax Refund Fund an amount estimated by the Department to
10 be required for refunds of the 80% portion of the tax on
11 aviation fuel under this Act. The Department shall only
12 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
13 under this paragraph for so long as the revenue use
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
15 binding on the State.

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

24 Subject to payment of amounts into the Build Illinois
25 Fund, the McCormick Place Expansion Project Fund, and the
26 Illinois Tax Increment Fund pursuant to the preceding

1 paragraphs or in any amendments to this Section hereafter
2 enacted, beginning on the first day of the first calendar
3 month to occur on or after August 26, 2014 (the effective date
4 of Public Act 98-1098), each month, from the collections made
5 under Section 9 of the Use Tax Act, Section 9 of the Service
6 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
7 Section 3 of the Retailers' Occupation Tax Act, the Department
8 shall pay into the Tax Compliance and Administration Fund, to
9 be used, subject to appropriation, to fund additional auditors
10 and compliance personnel at the Department of Revenue, an
11 amount equal to $\frac{1}{12}$ of 5% of 80% of the cash receipts
12 collected during the preceding fiscal year by the Audit Bureau
13 of the Department under the Use Tax Act, the Service Use Tax
14 Act, the Service Occupation Tax Act, the Retailers' Occupation
15 Tax Act, and associated local occupation and use taxes
16 administered by the Department.

17 Subject to payments of amounts into the Build Illinois
18 Fund, the McCormick Place Expansion Project Fund, the Illinois
19 Tax Increment Fund, the Energy Infrastructure Fund, and the
20 Tax Compliance and Administration Fund as provided in this
21 Section, beginning on July 1, 2018 the Department shall pay
22 each month into the Downstate Public Transportation Fund the
23 moneys required to be so paid under Section 2-3 of the
24 Downstate Public Transportation Act.

25 Subject to successful execution and delivery of a
26 public-private agreement between the public agency and private

1 entity and completion of the civic build, beginning on July 1,
2 2023, of the remainder of the moneys received by the
3 Department under the Use Tax Act, the Service Use Tax Act, the
4 Service Occupation Tax Act, and this Act, the Department shall
5 deposit the following specified deposits in the aggregate from
6 collections under the Use Tax Act, the Service Use Tax Act, the
7 Service Occupation Tax Act, and the Retailers' Occupation Tax
8 Act, as required under Section 8.25g of the State Finance Act
9 for distribution consistent with the Public-Private
10 Partnership for Civic and Transit Infrastructure Project Act.
11 The moneys received by the Department pursuant to this Act and
12 required to be deposited into the Civic and Transit
13 Infrastructure Fund are subject to the pledge, claim and
14 charge set forth in Section 25-55 of the Public-Private
15 Partnership for Civic and Transit Infrastructure Project Act.
16 As used in this paragraph, "civic build", "private entity",
17 "public-private agreement", and "public agency" have the
18 meanings provided in Section 25-10 of the Public-Private
19 Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024	\$200,000,000
2025	\$206,000,000
2026	\$212,200,000
2027	\$218,500,000
2028	\$225,100,000
2029	\$288,700,000

1	2030	.....	\$298,900,000
2	2031	.....	\$309,300,000
3	2032	.....	\$320,100,000
4	2033	.....	\$331,200,000
5	2034	.....	\$341,200,000
6	2035	.....	\$351,400,000
7	2036	.....	\$361,900,000
8	2037	.....	\$372,800,000
9	2038	.....	\$384,000,000
10	2039	.....	\$395,500,000
11	2040	.....	\$407,400,000
12	2041	.....	\$419,600,000
13	2042	.....	\$432,200,000
14	2043	.....	\$445,100,000

15 Beginning July 1, 2021 and until July 1, 2022, subject to
16 the payment of amounts into the County and Mass Transit
17 District Fund, the Local Government Tax Fund, the Build
18 Illinois Fund, the McCormick Place Expansion Project Fund, the
19 Illinois Tax Increment Fund, and the Tax Compliance and
20 Administration Fund as provided in this Section, the
21 Department shall pay each month into the Road Fund the amount
22 estimated to represent 16% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. Beginning July 1,
24 2022 and until July 1, 2023, subject to the payment of amounts
25 into the County and Mass Transit District Fund, the Local
26 Government Tax Fund, the Build Illinois Fund, the McCormick

1 Place Expansion Project Fund, the Illinois Tax Increment Fund,
2 and the Tax Compliance and Administration Fund as provided in
3 this Section, the Department shall pay each month into the
4 Road Fund the amount estimated to represent 32% of the net
5 revenue realized from the taxes imposed on motor fuel and
6 gasohol. Beginning July 1, 2023 and until July 1, 2024,
7 subject to the payment of amounts into the County and Mass
8 Transit District Fund, the Local Government Tax Fund, the
9 Build Illinois Fund, the McCormick Place Expansion Project
10 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
11 and Administration Fund as provided in this Section, the
12 Department shall pay each month into the Road Fund the amount
13 estimated to represent 48% of the net revenue realized from
14 the taxes imposed on motor fuel and gasohol. Beginning July 1,
15 2024 and until July 1, 2026, subject to the payment of amounts
16 into the County and Mass Transit District Fund, the Local
17 Government Tax Fund, the Build Illinois Fund, the McCormick
18 Place Expansion Project Fund, the Illinois Tax Increment Fund,
19 and the Tax Compliance and Administration Fund as provided in
20 this Section, the Department shall pay each month into the
21 Road Fund the amount estimated to represent 64% of the net
22 revenue realized from the taxes imposed on motor fuel and
23 gasohol. Beginning on July 1, 2026, subject to the payment of
24 amounts into the County and Mass Transit District Fund, the
25 Local Government Tax Fund, the Build Illinois Fund, the
26 McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Tax Compliance and Administration Fund
2 as provided in this Section, the Department shall pay each
3 month into the Road Fund the amount estimated to represent 80%
4 of the net revenue realized from the taxes imposed on motor
5 fuel and gasohol. As used in this paragraph "motor fuel" has
6 the meaning given to that term in Section 1.1 of the Motor Fuel
7 Tax Law, and "gasohol" has the meaning given to that term in
8 Section 3-40 of the Use Tax Act.

9 Until July 1, 2025, of the remainder of the moneys
10 received by the Department pursuant to this Act, 75% thereof
11 shall be paid into the State treasury and 25% shall be reserved
12 in a special account and used only for the transfer to the
13 Common School Fund as part of the monthly transfer from the
14 General Revenue Fund in accordance with Section 8a of the
15 State Finance Act. Beginning July 1, 2025, of the remainder of
16 the moneys received by the Department pursuant to this Act,
17 75% shall be deposited into the General Revenue Fund and 25%
18 shall be deposited into the Common School Fund.

19 The Department may, upon separate written notice to a
20 taxpayer, require the taxpayer to prepare and file with the
21 Department on a form prescribed by the Department within not
22 less than 60 days after receipt of the notice an annual
23 information return for the tax year specified in the notice.
24 Such annual return to the Department shall include a statement
25 of gross receipts as shown by the retailer's last federal
26 income tax return. If the total receipts of the business as

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

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

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

26 (ii) On and after January 1, 1994, the taxpayer shall

1 be liable for a penalty as described in Section 3-4 of the
2 Uniform Penalty and Interest Act.

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

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

15 As soon as possible after the first day of each month, upon
16 certification of the Department of Revenue, the Comptroller
17 shall order transferred and the Treasurer shall transfer from
18 the General Revenue Fund to the Motor Fuel Tax Fund an amount
19 equal to 1.7% of 80% of the net revenue realized under this Act
20 for the second preceding month. Beginning April 1, 2000, this
21 transfer is no longer required 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,

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

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

24 Any person engaged in the business of selling tangible
25 personal property at retail as a concessionaire or other type
26 of seller at the Illinois State Fair, county fairs, art shows,

1 flea markets, and similar exhibitions or events, or any
2 transient merchants, as defined by Section 2 of the Transient
3 Merchant Act of 1987, may be required to make a daily report of
4 the amount of such sales to the Department and to make a daily
5 payment of the full amount of tax due. The Department shall
6 impose this requirement when it finds that there is a
7 significant risk of loss of revenue to the State at such an
8 exhibition or event. Such a finding shall be based on evidence
9 that a substantial number of concessionaires or other sellers
10 who are not residents of Illinois will be engaging in the
11 business of selling tangible personal property at retail at
12 the exhibition or event, or other evidence of a significant
13 risk of loss of revenue to the State. The Department shall
14 notify concessionaires and other sellers affected by the
15 imposition of this requirement. In the absence of notification
16 by the Department, the concessionaires and other sellers shall
17 file their returns as otherwise required in this Section.

18 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
19 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
20 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
21 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
22 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
23 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
24 eff. 6-16-25; revised 1-12-26.)

25 (Text of Section after amendment by P.A. 104-457)

1 Sec. 3. Except as provided in this Section, on or before
2 the twentieth day of each calendar month, every person engaged
3 in the business of selling, which, on and after January 1,
4 2025, includes leasing, tangible personal property at retail
5 in this State during the preceding calendar month shall file a
6 return with the Department, stating:

7 1. The name of the seller;

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

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

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

23 5. Deductions allowed by law;

24 6. Gross receipts which were received by him during
25 the preceding calendar month or quarter and upon the basis
26 of which the tax is imposed, including gross receipts on

1 food for human consumption that is to be consumed off the
2 premises where it is sold (other than alcoholic beverages,
3 food consisting of or infused with adult use cannabis,
4 soft drinks, and food that has been prepared for immediate
5 consumption) which were received during the preceding
6 calendar month or quarter and upon which tax would have
7 been due but for the 0% rate imposed under Public Act
8 102-700;

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

11 8. The amount of tax due, including the amount of tax
12 that would have been due on food for human consumption
13 that is to be consumed off the premises where it is sold
14 (other than alcoholic beverages, food consisting of or
15 infused with adult use cannabis, soft drinks, and food
16 that has been prepared for immediate consumption) but for
17 the 0% rate imposed under Public Act 102-700;

18 9. The signature of the taxpayer; and

19 10. Such other reasonable information as the
20 Department may require.

21 In the case of leases, except as otherwise provided in
22 this Act, the lessor must remit for each tax return period only
23 the tax applicable to that part of the selling price actually
24 received during such tax return period.

25 On and after January 1, 2018, except for returns required
26 to be filed prior to January 1, 2023 for motor vehicles,

1 watercraft, aircraft, and trailers that are required to be
2 registered with an agency of this State, with respect to
3 retailers whose annual gross receipts average \$20,000 or more,
4 all returns required to be filed pursuant to this Act shall be
5 filed electronically. On and after January 1, 2023, with
6 respect to retailers whose annual gross receipts average
7 \$20,000 or more, all returns required to be filed pursuant to
8 this Act, including, but not limited to, returns for motor
9 vehicles, watercraft, aircraft, and trailers that are required
10 to be registered with an agency of this State, shall be filed
11 electronically. Retailers who demonstrate that they do not
12 have access to the Internet or demonstrate hardship in filing
13 electronically may petition the Department to waive the
14 electronic filing requirement.

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 be
18 due on the return shall be deemed assessed.

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

22 Prior to October 1, 2003 and on and after September 1,
23 2004, a retailer may accept a Manufacturer's Purchase Credit
24 certification from a purchaser in satisfaction of Use Tax as
25 provided in Section 3-85 of the Use Tax Act if the purchaser
26 provides the appropriate documentation as required by Section

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

17 Beginning on July 1, 2023 and through December 31, 2032, a
18 retailer may accept a Sustainable Aviation Fuel Purchase
19 Credit certification from an air common carrier-purchaser in
20 satisfaction of Use Tax on aviation fuel as provided in
21 Section 3-87 of the Use Tax Act if the purchaser provides the
22 appropriate documentation as required by Section 3-87 of the
23 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
24 certification accepted by a retailer in accordance with this
25 paragraph may be used by that retailer to satisfy Retailers'
26 Occupation Tax liability (but not in satisfaction of penalty

1 or interest) in the amount claimed in the certification, not
2 to exceed 6.25% of the receipts subject to tax from a sale of
3 aviation fuel. In addition, for a sale of aviation fuel to
4 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
5 retailers must retain in their books and records a
6 certification from the producer of the aviation fuel that the
7 aviation fuel sold by the retailer and for which a sustainable
8 aviation fuel purchase credit was earned meets the definition
9 of sustainable aviation fuel under Section 3-87 of the Use Tax
10 Act. The documentation must include detail sufficient for the
11 Department to determine the number of gallons of sustainable
12 aviation fuel sold.

13 The Department may require returns to be filed on a
14 quarterly basis. If so required, a return for each calendar
15 quarter shall be filed on or before the twentieth day of the
16 calendar month following the end of such calendar quarter. The
17 taxpayer shall also file a return with the Department for each
18 of the first 2 months of each calendar quarter, on or before
19 the twentieth day of the following calendar month, stating:

20 1. The name of the seller;

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

24 3. The total amount of taxable receipts received by
25 him during the preceding calendar month from sales of
26 tangible personal property by him during such preceding

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

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

5 5. The amount of tax due; and

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

8 Every person engaged in the business of selling aviation
9 fuel at retail in this State during the preceding calendar
10 month shall, instead of reporting and paying tax as otherwise
11 required by this Section, report and pay such tax on a separate
12 aviation fuel tax return. The requirements related to the
13 return shall be as otherwise provided in this Section.
14 Notwithstanding any other provisions of this Act to the
15 contrary, retailers selling aviation fuel shall file all
16 aviation fuel tax returns and shall make all aviation fuel tax
17 payments by electronic means in the manner and form required
18 by the Department. For purposes of this Section, "aviation
19 fuel" means jet fuel and aviation gasoline.

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

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

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

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

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

14 Notwithstanding any other provision of this Act to the
15 contrary, retailers subject to tax on cannabis shall file all
16 cannabis tax returns and shall make all cannabis tax payments
17 by electronic means in the manner and form required by the
18 Department.

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

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

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

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

26 All taxpayers required to make payment by electronic funds

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

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

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

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

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

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

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

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

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

19 In addition, with respect to motor vehicles, watercraft,
20 aircraft, and trailers that are required to be registered with
21 an agency of this State, every person who is engaged in the
22 business of leasing or renting such items and who, in
23 connection with such business, sells any such item to a
24 retailer for the purpose of resale is, notwithstanding any
25 other provision of this Section to the contrary, authorized to
26 meet the return-filing requirement of this Act by reporting

1 the transfer of all the aircraft, watercraft, motor vehicles,
2 or trailers transferred for resale during a month to the
3 Department on the same uniform invoice-transaction reporting
4 return form on or before the 20th of the month following the
5 month in which the transfer takes place. Notwithstanding any
6 other provision of this Act to the contrary, all returns filed
7 under this paragraph must be filed by electronic means in the
8 manner and form as required by the Department.

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

17 The transaction reporting return, in the case of motor
18 vehicles or trailers that are required to be registered with
19 an agency of this State, shall be the same document as the
20 Uniform Invoice referred to in Section 5-402 of the Illinois
21 Vehicle Code and must show the name and address of the seller;
22 the name and address of the purchaser; the amount of the
23 selling price including the amount allowed by the retailer for
24 traded-in property, if any; the amount allowed by the retailer
25 for the traded-in tangible personal property, if any, to the
26 extent to which Section 1 of this Act allows an exemption for

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

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

1 such other information as the Department may reasonably
2 require.

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

1 registration to such tangible personal property.

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

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

1 if the tax had been remitted to the Department by the retailer.

2 On and after January 1, 2025, with respect to the lease of
3 trailers, other than semitrailers as defined in Section 1-187
4 of the Illinois Vehicle Code, that are required to be
5 registered with an agency of this State and that are subject to
6 the tax on lease receipts under this Act, notwithstanding any
7 other provision of this Act to the contrary, for the purpose of
8 reporting and paying tax under this Act on those lease
9 receipts, lessors shall file returns in addition to and
10 separate from the transaction reporting return. Lessors shall
11 file those lease returns and make payment to the Department by
12 electronic means on or before the 20th day of each month
13 following the month, quarter, or year, as applicable, in which
14 lease receipts were received. All lease receipts received by
15 the lessor from the lease of those trailers during the same
16 reporting period shall be reported and tax shall be paid on a
17 single return form to be prescribed by the Department.

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

26 Where the seller is a corporation, the return filed on

1 behalf of such corporation shall be signed by the president,
2 vice-president, secretary, or treasurer or by the properly
3 accredited agent of such corporation.

4 Where the seller is a limited liability company, the
5 return filed on behalf of the limited liability company shall
6 be signed by a manager, member, or properly accredited agent
7 of the limited liability company.

8 Except as provided in this Section, the retailer filing
9 the return under this Section shall, at the time of filing such
10 return, pay to the Department the amount of tax imposed by this
11 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
12 on and after January 1, 1990, or \$5 per calendar year,
13 whichever is greater, which is allowed to reimburse the
14 retailer for the expenses incurred in keeping records,
15 preparing and filing returns, remitting the tax and supplying
16 data to the Department on request. A certified service
17 provider, as defined in the Leveling the Playing Field for
18 Illinois Retail Act, filing the return under this Section on
19 behalf of a remote retailer or a retailer maintaining a place
20 of business in this State shall, at the time of such return,
21 pay to the Department the amount of tax imposed by this Act
22 less a discount of 1.75%. A remote retailer or a retailer
23 maintaining a place of business in this State using a
24 certified service provider to file a return on its behalf, as
25 provided in the Leveling the Playing Field for Illinois Retail
26 Act, is not eligible for the discount. Beginning with returns

1 due on or after January 1, 2025, the vendor's discount allowed
2 in this Section, the Service Occupation Tax Act, the Use Tax
3 Act, and the Service Use Tax Act, including any local tax
4 administered by the Department and reported on the same
5 return, shall not exceed \$1,000 per month in the aggregate for
6 returns other than transaction returns filed during the month.
7 When determining the discount allowed under this Section,
8 retailers shall include the amount of tax that would have been
9 due at the 1% rate but for the 0% rate imposed under Public Act
10 102-700. When determining the discount allowed under this
11 Section, retailers shall include the amount of tax that would
12 have been due at the 6.25% rate but for the 1.25% rate imposed
13 on sales tax holiday items under Public Act 102-700 and under
14 this amendatory Act of the 104th General Assembly. The
15 discount under this Section is not allowed for the 1.25%
16 portion of taxes paid on aviation fuel that is subject to the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133. Any prepayment made pursuant to Section 2d of this Act
19 shall be included in the amount on which such discount is
20 computed. In the case of retailers who report and pay the tax
21 on a transaction by transaction basis, as provided in this
22 Section, such discount shall be taken with each such tax
23 remittance instead of when such retailer files his periodic
24 return, but, beginning with returns due on or after January 1,
25 2025, the vendor's discount allowed under this Section and the
26 Use Tax Act, including any local tax administered by the

1 Department and reported on the same transaction return, shall
2 not exceed \$1,000 per month for all transaction returns filed
3 during the month. The discount allowed under this Section is
4 allowed only for returns that are filed in the manner required
5 by this Act. The Department may disallow the discount for
6 retailers whose certificate of registration is revoked at the
7 time the return is filed, but only if the Department's
8 decision to revoke the certificate of registration has become
9 final.

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

1 quarters, he shall file a return with the Department each
2 month by the 20th day of the month next following the month
3 during which such tax liability is incurred and shall make
4 payment to the Department on or before the 7th, 15th, 22nd and
5 last day of the month during which such liability is incurred.
6 If the month during which such tax liability is incurred began
7 prior to January 1, 1985, each payment shall be in an amount
8 equal to 1/4 of the taxpayer's actual liability for the month
9 or an amount set by the Department not to exceed 1/4 of the
10 average monthly liability of the taxpayer to the Department
11 for the preceding 4 complete calendar quarters (excluding the
12 month of highest liability and the month of lowest liability
13 in such 4 quarter period). If the month during which such tax
14 liability is incurred begins on or after January 1, 1985 and
15 prior to January 1, 1987, each payment shall be in an amount
16 equal to 22.5% of the taxpayer's actual liability for the
17 month or 27.5% of the taxpayer's liability for the same
18 calendar month of the preceding year. If the month during
19 which such tax liability is incurred begins on or after
20 January 1, 1987 and prior to January 1, 1988, each payment
21 shall be in an amount equal to 22.5% of the taxpayer's actual
22 liability for the month or 26.25% of the taxpayer's liability
23 for the same calendar month of the preceding year. If the month
24 during which such tax liability is incurred begins on or after
25 January 1, 1988, and prior to January 1, 1989, or begins on or
26 after January 1, 1996, each payment shall be in an amount equal

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

1 threshold stated above, then such taxpayer may petition the
2 Department for a change in such taxpayer's reporting status.
3 On and after October 1, 2000, once applicable, the requirement
4 of the making of quarter monthly payments to the Department by
5 taxpayers having an average monthly tax liability of \$20,000
6 or more as determined in the manner provided above shall
7 continue until such taxpayer's average monthly liability to
8 the Department during the preceding 4 complete calendar
9 quarters (excluding the month of highest liability and the
10 month of lowest liability) is less than \$19,000 or until such
11 taxpayer's average monthly liability to the Department as
12 computed for each calendar quarter of the 4 preceding complete
13 calendar quarter period is less than \$20,000. However, if a
14 taxpayer can show the Department that a substantial change in
15 the taxpayer's business has occurred which causes the taxpayer
16 to anticipate that his average monthly tax liability for the
17 reasonably foreseeable future will fall below the \$20,000
18 threshold stated above, then such taxpayer may petition the
19 Department for a change in such taxpayer's reporting status.
20 The Department shall change such taxpayer's reporting status
21 unless it finds that such change is seasonal in nature and not
22 likely to be long term. Quarter monthly payment status shall
23 be determined under this paragraph as if the rate reduction to
24 0% in Public Act 102-700 on food for human consumption that is
25 to be consumed off the premises where it is sold (other than
26 alcoholic beverages, food consisting of or infused with adult

1 use cannabis, soft drinks, and food that has been prepared for
2 immediate consumption) had not occurred. For quarter monthly
3 payments due under this paragraph on or after July 1, 2023 and
4 through June 30, 2024, "25% of the taxpayer's liability for
5 the same calendar month of the preceding year" shall be
6 determined as if the rate reduction to 0% in Public Act 102-700
7 had not occurred. Quarter monthly payment status shall be
8 determined under this paragraph as if the rate reduction to
9 1.25% in Public Act 102-700 and in this amendatory Act of the
10 104th General Assembly on sales tax holiday items had not
11 occurred. For quarter monthly payments due on or after July 1,
12 2023 and through June 30, 2024, and on or after July 1, 2027
13 and through June 30, 2028, "25% of the taxpayer's liability
14 for the same calendar month of the preceding year" shall be
15 determined as if the rate reduction to 1.25% in Public Act
16 102-700 and in this amendatory Act of the 104th General
17 Assembly on sales tax holiday items had not occurred. If any
18 such quarter monthly payment is not paid at the time or in the
19 amount required by this Section, then the taxpayer shall be
20 liable for penalties and interest on the difference between
21 the minimum amount due as a payment and the amount of such
22 quarter monthly payment actually and timely paid, except
23 insofar as the taxpayer has previously made payments for that
24 month to the Department in excess of the minimum payments
25 previously due as provided in this Section. The Department
26 shall make reasonable rules and regulations to govern the

1 quarter monthly payment amount and quarter monthly payment
2 dates for taxpayers who file on other than a calendar monthly
3 basis.

4 The provisions of this paragraph apply before October 1,
5 2001. Without regard to whether a taxpayer is required to make
6 quarter monthly payments as specified above, any taxpayer who
7 is required by Section 2d of this Act to collect and remit
8 prepaid taxes and has collected prepaid taxes which average in
9 excess of \$25,000 per month during the preceding 2 complete
10 calendar quarters, shall file a return with the Department as
11 required by Section 2f and shall make payments to the
12 Department on or before the 7th, 15th, 22nd and last day of the
13 month during which such liability is incurred. If the month
14 during which such tax liability is incurred began prior to
15 September 1, 1985 (the effective date of Public Act 84-221),
16 each payment shall be in an amount not less than 22.5% of the
17 taxpayer's actual liability under Section 2d. If the month
18 during which such tax liability is incurred begins on or after
19 January 1, 1986, each payment shall be in an amount equal to
20 22.5% of the taxpayer's actual liability for the month or
21 27.5% of the taxpayer's liability for the same calendar month
22 of the preceding calendar year. If the month during which such
23 tax liability is incurred begins on or after January 1, 1987,
24 each payment shall be in an amount equal to 22.5% of the
25 taxpayer's actual liability for the month or 26.25% of the
26 taxpayer's liability for the same calendar month of the

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

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

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

18 If any payment provided for in this Section exceeds the
19 taxpayer's liabilities under this Act, the Use Tax Act, the
20 Service Occupation Tax Act, and the Service Use Tax Act, as
21 shown on an original monthly return, the Department shall, if
22 requested by the taxpayer, issue to the taxpayer a credit
23 memorandum no later than 30 days after the date of payment. The
24 credit evidenced by such credit memorandum may be assigned by
25 the taxpayer to a similar taxpayer under this Act, the Use Tax
26 Act, the Service Occupation Tax Act, or the Service Use Tax

1 Act, in accordance with reasonable rules and regulations to be
2 prescribed by the Department. If no such request is made, the
3 taxpayer may credit such excess payment against tax liability
4 subsequently to be remitted to the Department under this Act,
5 the Use Tax Act, the Service Occupation Tax Act, or the Service
6 Use Tax Act, in accordance with reasonable rules and
7 regulations prescribed by the Department. If the Department
8 subsequently determined that all or any part of the credit
9 taken was not actually due to the taxpayer, the taxpayer's
10 vendor's discount shall be reduced, if necessary, to reflect
11 the difference between the credit taken and that actually due,
12 and that taxpayer shall be liable for penalties and interest
13 on such difference.

14 If a retailer of motor fuel is entitled to a credit under
15 Section 2d of this Act which exceeds the taxpayer's liability
16 to the Department under this Act for the month for which the
17 taxpayer is filing a return, the Department shall issue the
18 taxpayer a credit memorandum for the excess.

19 The net revenue realized at the 15% rate under either
20 Section 4 or Section 5 of this Act shall be deposited as
21 follows: (i) notwithstanding the provisions of this Section to
22 the contrary, the net revenue realized from the portion of the
23 rate in excess of 5% shall be deposited into the State and
24 Local Sales Tax Reform Fund; and (ii) the net revenue realized
25 from the 5% portion of the rate shall be deposited as provided
26 in this Section for the 5% portion of the 6.25% general rate

1 imposed under this Act.

2 Beginning January 1, 1990, each month the Department shall
3 pay into the Local Government Tax Fund, a special fund in the
4 State treasury which is hereby created, the net revenue
5 realized for the preceding month from the 1% tax imposed under
6 this Act.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the County and Mass Transit District Fund, a special
9 fund in the State treasury which is hereby created, 4% of the
10 net revenue realized for the preceding month from the 6.25%
11 general rate other than aviation fuel sold on or after
12 December 1, 2019. This exception for aviation fuel only
13 applies for so long as the revenue use requirements of 49
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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. If, in any
19 month, the tax on sales tax holiday items, as defined in
20 Section 2-8, is imposed at the rate of 1.25%, then the
21 Department shall pay 20% of the net revenue realized for that
22 month from the 1.25% rate on the selling price of sales tax
23 holiday items into the County and Mass Transit District Fund.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the Local Government Tax Fund 16% of the net revenue
26 realized for the preceding month from the 6.25% general rate

1 on the selling price of tangible personal property other than
2 aviation fuel sold on or after December 1, 2019. This
3 exception for aviation fuel only applies for so long as the
4 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
5 47133 are binding on the State.

6 For aviation fuel sold on or after December 1, 2019, each
7 month the Department shall pay into the State Aviation Program
8 Fund 20% of the net revenue realized for the preceding month
9 from the 6.25% general rate on the selling price of aviation
10 fuel, less an amount estimated by the Department to be
11 required for refunds of the 20% portion of the tax on aviation
12 fuel under this Act, which amount shall be deposited into the
13 Aviation Fuel Sales Tax Refund Fund. The Department shall only
14 pay moneys into the State Aviation Program Fund and the
15 Aviation Fuel Sales Tax Refund Fund under this Act for so long
16 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
17 U.S.C. 47133 are binding on the State.

18 Beginning August 1, 2000, each month the Department shall
19 pay into the Local Government Tax Fund 80% of the net revenue
20 realized for the preceding month from the 1.25% rate on the
21 selling price of motor fuel and gasohol. If, in any month, the
22 tax on sales tax holiday items, as defined in Section 2-8, is
23 imposed at the rate of 1.25%, then the Department shall pay 80%
24 of the net revenue realized for that month from the 1.25% rate
25 on the selling price of sales tax holiday items into the Local
26 Government Tax Fund.

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

8 Beginning July 1, 2011, each month the Department shall
9 pay into the Clean Air Act Permit Fund 80% of the net revenue
10 realized for the preceding month from the 6.25% general rate
11 on the selling price of sorbents used in Illinois in the
12 process of sorbent injection as used to comply with the
13 Environmental Protection Act or the federal Clean Air Act, but
14 the total payment into the Clean Air Act Permit Fund under this
15 Act and the Use Tax Act shall not exceed \$2,000,000 in any
16 fiscal year.

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

1 used in this paragraph, the "average monthly deficit" shall be
2 equal to the difference between the average monthly claims for
3 payment by the fund and the average monthly revenues deposited
4 into the fund, excluding payments made pursuant to this
5 paragraph.

6 Beginning July 1, 2015, of the remainder of the moneys
7 received by the Department under the Use Tax Act, the Service
8 Use Tax Act, the Service Occupation Tax Act, and this Act, each
9 month the Department shall deposit \$500,000 into the State
10 Crime Laboratory Fund.

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

1 be immediately paid into the Build Illinois Fund from other
2 moneys received by the Department pursuant to the Tax Acts;
3 the "Annual Specified Amount" means the amounts specified
4 below for fiscal years 1986 through 1993:

5	Fiscal Year	Annual Specified Amount
6	1986	\$54,800,000
7	1987	\$76,650,000
8	1988	\$80,480,000
9	1989	\$88,510,000
10	1990	\$115,330,000
11	1991	\$145,470,000
12	1992	\$182,730,000
13	1993	\$206,520,000;

14 and means the Certified Annual Debt Service Requirement (as
15 defined in Section 13 of the Build Illinois Bond Act) or the
16 Tax Act Amount, whichever is greater, for fiscal year 1994 and
17 each fiscal year thereafter; and further provided, that if on
18 the last business day of any month the sum of (1) the Tax Act
19 Amount required to be deposited into the Build Illinois Bond
20 Account in the Build Illinois Fund during such month and (2)
21 the amount transferred to the Build Illinois Fund from the
22 State and Local Sales Tax Reform Fund shall have been less than
23 1/12 of the Annual Specified Amount, an amount equal to the
24 difference shall be immediately paid into the Build Illinois
25 Fund from other moneys received by the Department pursuant to
26 the Tax Acts; and, further provided, that in no event shall the

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

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

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	300,000,000

1	2022	300,000,000
2	2023	300,000,000
3	2024	300,000,000
4	2025	300,000,000
5	2026	300,000,000
6	2027	375,000,000
7	2028	375,000,000
8	2029	375,000,000
9	2030	375,000,000
10	2031	375,000,000
11	2032	375,000,000
12	2033	375,000,000
13	2034	375,000,000
14	2035	375,000,000
15	2036	450,000,000

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

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

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

11 Subject to payment of amounts into the Capital Projects
12 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
13 and the McCormick Place Expansion Project Fund pursuant to the
14 preceding paragraphs or in any amendments thereto hereafter
15 enacted, for aviation fuel sold on or after December 1, 2019,
16 the Department shall each month deposit into the Aviation Fuel
17 Sales Tax Refund Fund an amount estimated by the Department to
18 be required for refunds of the 80% portion of the tax on
19 aviation fuel under this Act. The Department shall only
20 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
21 under this paragraph for so long as the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
23 binding on the State.

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning July 1, 1993 and ending on September 30,
2 2013, the Department shall each month pay into the Illinois
3 Tax Increment Fund 0.27% of 80% of the net revenue realized for
4 the preceding month from the 6.25% general rate on the selling
5 price of tangible personal property.

6 Subject to payment of amounts into the Build Illinois
7 Fund, the McCormick Place Expansion Project Fund, and the
8 Illinois Tax Increment Fund pursuant to the preceding
9 paragraphs or in any amendments to this Section hereafter
10 enacted, beginning on the first day of the first calendar
11 month to occur on or after August 26, 2014 (the effective date
12 of Public Act 98-1098), each month, from the collections made
13 under Section 9 of the Use Tax Act, Section 9 of the Service
14 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
15 Section 3 of the Retailers' Occupation Tax Act, the Department
16 shall pay into the Tax Compliance and Administration Fund, to
17 be used, subject to appropriation, to fund additional auditors
18 and compliance personnel at the Department of Revenue, an
19 amount equal to 1/12 of 5% of 80% of the cash receipts
20 collected during the preceding fiscal year by the Audit Bureau
21 of the Department under the Use Tax Act, the Service Use Tax
22 Act, the Service Occupation Tax Act, the Retailers' Occupation
23 Tax Act, and associated local occupation and use taxes
24 administered by the Department.

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

1 Tax Increment Fund, the Energy Infrastructure Fund, and the
2 Tax Compliance and Administration Fund as provided in this
3 Section, beginning on July 1, 2018 the Department shall pay
4 each month into the Downstate Public Transportation Fund the
5 moneys required to be so paid under Section 2-3 of the
6 Downstate Public Transportation Act.

7 Subject to successful execution and delivery of a
8 public-private agreement between the public agency and private
9 entity and completion of the civic build, beginning on July 1,
10 2023, of the remainder of the moneys received by the
11 Department under the Use Tax Act, the Service Use Tax Act, the
12 Service Occupation Tax Act, and this Act, the Department shall
13 deposit the following specified deposits in the aggregate from
14 collections under the Use Tax Act, the Service Use Tax Act, the
15 Service Occupation Tax Act, and the Retailers' Occupation Tax
16 Act, as required under Section 8.25g of the State Finance Act
17 for distribution consistent with the Public-Private
18 Partnership for Civic and Transit Infrastructure Project Act.
19 The moneys received by the Department pursuant to this Act and
20 required to be deposited into the Civic and Transit
21 Infrastructure Fund are subject to the pledge, claim and
22 charge set forth in Section 25-55 of the Public-Private
23 Partnership for Civic and Transit Infrastructure Project Act.
24 As used in this paragraph, "civic build", "private entity",
25 "public-private agreement", and "public agency" have the
26 meanings provided in Section 25-10 of the Public-Private

1 Partnership for Civic and Transit Infrastructure Project Act.

2 Fiscal Year..... Total Deposit

3 2024 \$200,000,000

4 2025 \$206,000,000

5 2026 \$212,200,000

6 2027 \$218,500,000

7 2028 \$225,100,000

8 2029 \$288,700,000

9 2030 \$298,900,000

10 2031 \$309,300,000

11 2032 \$320,100,000

12 2033 \$331,200,000

13 2034 \$341,200,000

14 2035 \$351,400,000

15 2036 \$361,900,000

16 2037 \$372,800,000

17 2038 \$384,000,000

18 2039 \$395,500,000

19 2040 \$407,400,000

20 2041 \$419,600,000

21 2042 \$432,200,000

22 2043 \$445,100,000

23 Beginning July 1, 2021 and until July 1, 2022, subject to
24 the payment of amounts into the County and Mass Transit
25 District Fund, the Local Government Tax Fund, the Build
26 Illinois Fund, the McCormick Place Expansion Project Fund, the

1 Illinois Tax Increment Fund, and the Tax Compliance and
2 Administration Fund as provided in this Section, the
3 Department shall pay each month into the Road Fund the amount
4 estimated to represent 16% of the net revenue realized from
5 the taxes imposed on motor fuel and gasohol. Beginning July 1,
6 2022 and until July 1, 2023, subject to the payment of amounts
7 into the County and Mass Transit District Fund, the Local
8 Government Tax Fund, the Build Illinois Fund, the McCormick
9 Place Expansion Project Fund, the Illinois Tax Increment Fund,
10 and the Tax Compliance and Administration Fund as provided in
11 this Section, the Department shall pay each month into the
12 Road Fund the amount estimated to represent 32% of the net
13 revenue realized from the taxes imposed on motor fuel and
14 gasohol. Beginning July 1, 2023 and until July 1, 2024,
15 subject to the payment of amounts into the County and Mass
16 Transit District Fund, the Local Government Tax Fund, the
17 Build Illinois Fund, the McCormick Place Expansion Project
18 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
19 and Administration Fund as provided in this Section, the
20 Department shall pay each month into the Road Fund the amount
21 estimated to represent 48% of the net revenue realized from
22 the taxes imposed on motor fuel and gasohol. Beginning July 1,
23 2024 and until July 1, 2026, subject to the payment of amounts
24 into the County and Mass Transit District Fund, the Local
25 Government Tax Fund, the Build Illinois Fund, the McCormick
26 Place Expansion Project Fund, the Illinois Tax Increment Fund,

1 and the Tax Compliance and Administration Fund as provided in
2 this Section, the Department shall pay each month into the
3 Road Fund the amount estimated to represent 64% of the net
4 revenue realized from the taxes imposed on motor fuel and
5 gasohol. Beginning on July 1, 2026, subject to the payment of
6 amounts into the County and Mass Transit District Fund, the
7 Local Government Tax Fund, the Build Illinois Fund, the
8 McCormick Place Expansion Project Fund, the Illinois Tax
9 Increment Fund, and the Tax Compliance and Administration Fund
10 as provided in this Section, the Department shall pay each
11 month into the Public Transportation Fund and the Downstate
12 Public Transportation Fund the amount estimated to represent
13 80% of the net revenue realized from the taxes imposed on motor
14 fuel and gasohol. Moneys shall be apportioned as follows: 85%
15 into the Public Transportation Fund and 15% into the Downstate
16 Public Transportation Fund. As used in this paragraph "motor
17 fuel" has the meaning given to that term in Section 1.1 of the
18 Motor Fuel Tax Law, and "gasohol" has the meaning given to that
19 term in Section 3-40 of the Use Tax Act.

20 Until July 1, 2025, of the remainder of the moneys
21 received by the Department pursuant to this Act, 75% thereof
22 shall be paid into the State treasury and 25% shall be reserved
23 in a special account and used only for the transfer to the
24 Common School Fund as part of the monthly transfer from the
25 General Revenue Fund in accordance with Section 8a of the
26 State Finance Act. Beginning July 1, 2025, of the remainder of

1 the moneys received by the Department pursuant to this Act,
2 75% shall be deposited into the General Revenue Fund and 25%
3 shall be deposited into the Common School Fund.

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

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

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

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

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

22 The provisions of this Section concerning the filing of an
23 annual information return do not apply to a retailer who is not
24 required to file an income tax return with the United States
25 Government.

26 As soon as possible after the first day of each month, upon

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

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

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

18 Any person who promotes, organizes, or provides retail
19 selling space for concessionaires or other types of sellers at
20 the Illinois State Fair, DuQuoin State Fair, county fairs,
21 local fairs, art shows, flea markets, and similar exhibitions
22 or events, including any transient merchant as defined by
23 Section 2 of the Transient Merchant Act of 1987, is required to
24 file a report with the Department providing the name of the
25 merchant's business, the name of the person or persons engaged
26 in merchant's business, the permanent address and Illinois

1 Retailers Occupation Tax Registration Number of the merchant,
2 the dates and location of the event, and other reasonable
3 information that the Department may require. The report must
4 be filed not later than the 20th day of the month next
5 following the month during which the event with retail sales
6 was held. Any person who fails to file a report required by
7 this Section commits a business offense and is subject to a
8 fine not to exceed \$250.

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

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

3 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
4 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
5 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
6 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
7 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
8 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
9 eff. 6-16-25; 104-457, eff. 6-1-26.)

10 ARTICLE 130

11 Section 130-5. The Sports Wagering Act is amended by
12 changing Sections 25-10 and 25-90 as follows:

13 (230 ILCS 45/25-10)

14 Sec. 25-10. Definitions. As used in this Act:

15 "Adjusted gross sports wagering receipts" means a master
16 sports wagering licensee's gross sports wagering receipts,
17 less winnings paid to wagerers in such games.

18 "Athlete" means any current or former professional athlete
19 or collegiate athlete.

20 "Board" means the Illinois Gaming Board.

21 "Covered persons" includes athletes; umpires, referees,
22 and officials; personnel associated with clubs, teams,
23 leagues, and athletic associations; medical professionals

1 (including athletic trainers) who provide services to athletes
2 and players; and the family members and associates of these
3 persons where required to serve the purposes of this Act.

4 "Exchange wager" includes an agreement, contract,
5 transaction, or swap that is offered, traded, or executed on a
6 prediction market or exchange tied to a sporting contest or
7 sporting event.

8 "Department" means the Department of the Lottery.

9 "Gaming facility" means a facility at which gambling
10 operations are conducted under the Illinois Gambling Act,
11 pari-mutuel wagering is conducted under the Illinois Horse
12 Racing Act of 1975, or sports wagering is conducted under this
13 Act.

14 "Official league data" means statistics, results,
15 outcomes, and other data related to a sports event obtained
16 pursuant to an agreement with the relevant sports governing
17 body, or an entity expressly authorized by the sports
18 governing body to provide such information to licensees, that
19 authorizes the use of such data for determining the outcome of
20 tier 2 sports wagers on such sports events.

21 "Organization licensee" has the meaning given to that term
22 in the Illinois Horse Racing Act of 1975.

23 "Owners licensee" means the holder of an owners license
24 under the Illinois Gambling Act.

25 "Person" means an individual, partnership, committee,
26 association, corporation, or any other organization or group

1 of persons.

2 "Personal biometric data" means an athlete's information
3 derived from DNA, heart rate, blood pressure, perspiration
4 rate, internal or external body temperature, hormone levels,
5 glucose levels, hydration levels, vitamin levels, bone
6 density, muscle density, and sleep patterns.

7 "Prohibited conduct" includes any statement, action, and
8 other communication intended to influence, manipulate, or
9 control a betting outcome of a sporting contest or of any
10 individual occurrence or performance in a sporting contest in
11 exchange for financial gain or to avoid financial or physical
12 harm. "Prohibited conduct" includes statements, actions, and
13 communications made to a covered person by a third party, such
14 as a family member or through social media. "Prohibited
15 conduct" does not include statements, actions, or
16 communications made or sanctioned by a team or sports
17 governing body.

18 "Qualified applicant" means an applicant for a license
19 under this Act whose application meets the mandatory minimum
20 qualification criteria as required by the Board.

21 "Sporting contest" means a sports event or game on which
22 the State allows sports wagering to occur under this Act.

23 "Sports event" means a professional sport or athletic
24 event, a collegiate sport or athletic event, a motor race
25 event, or any other event or competition of relative skill
26 authorized by the Board under this Act.

1 "Sports facility" means a facility that hosts sports
2 events and holds a seating capacity greater than 17,000
3 persons, except in a municipality with a population of more
4 than 1,000,000, a seating capacity greater than 10,000
5 persons.

6 "Sports governing body" means the organization that
7 prescribes final rules and enforces codes of conduct with
8 respect to a sports event and participants therein.

9 "Sports wagering" means accepting wagers on sports events
10 or portions of sports events, or on the individual performance
11 statistics of athletes in a sports event or combination of
12 sports events, by any system or method of wagering, including,
13 but not limited to, in person or over the Internet through
14 websites and on mobile devices. "Sports wagering" includes,
15 but is not limited to, single-game bets, teaser bets, parlays,
16 over-under, moneyline, pools, exchange wagering, in-game
17 wagering, in-play bets, proposition bets, and straight bets.

18 "Sports wagering account" means a financial record
19 established by a master sports wagering licensee for an
20 individual patron in which the patron may deposit and withdraw
21 funds for sports wagering and other authorized purchases and
22 to which the master sports wagering licensee may credit
23 winnings or other amounts due to that patron or authorized by
24 that patron.

25 "Tier 1 sports wager" means a sports wager that is
26 determined solely by the final score or final outcome of the

1 sports event and is placed before the sports event has begun.

2 "Tier 2 sports wager" means a sports wager that is not a
3 tier 1 sports wager.

4 "Wager" means a sum of money or thing of value risked on an
5 uncertain occurrence.

6 "Winning bidder" means a qualified applicant for a master
7 sports wagering license chosen through the competitive
8 selection process under Section 25-45.

9 (Source: P.A. 101-31, eff. 6-28-19; 102-689, eff. 12-17-21.)

10 (230 ILCS 45/25-90)

11 Sec. 25-90. Tax; Sports Wagering Fund.

12 (a) For the privilege of holding a license to operate
13 sports wagering under this Act until June 30, 2024, this State
14 shall impose and collect 15% of a master sports wagering
15 licensee's adjusted gross sports wagering receipts from sports
16 wagering. The accrual method of accounting shall be used for
17 purposes of calculating the amount of the tax owed by the
18 licensee.

19 The taxes levied and collected pursuant to this subsection
20 (a) are due and payable to the Board no later than the last day
21 of the month following the calendar month in which the
22 adjusted gross sports wagering receipts were received and the
23 tax obligation was accrued.

24 (a-5) In addition to the tax imposed under subsection (a),
25 (d), (d-5), or (d-7) of this Section, for the privilege of

1 holding a license to operate sports wagering under this Act,
2 the State shall impose and collect 2% of the adjusted gross
3 receipts from sports wagers that are placed within a home rule
4 county with a population of over 3,000,000 inhabitants, which
5 shall be paid, subject to appropriation from the General
6 Assembly, from the Sports Wagering Fund to that home rule
7 county for the purpose of enhancing the county's criminal
8 justice system.

9 (b) The Sports Wagering Fund is hereby created as a
10 special fund in the State treasury. Except as otherwise
11 provided in this Act, all moneys collected under this Act by
12 the Board shall be deposited into the Sports Wagering Fund.
13 Through August 25, 2024, on the 25th of each month, any moneys
14 remaining in the Sports Wagering Fund in excess of the
15 anticipated monthly expenditures from the Fund through the
16 next month, as certified by the Board to the State
17 Comptroller, shall be transferred by the State Comptroller and
18 the State Treasurer to the Capital Projects Fund. Beginning
19 September 25, 2024, on the 25th of each month, of the moneys
20 remaining in the Sports Wagering Fund in excess of the
21 anticipated monthly expenditures from the Fund through the
22 next month, as certified by the Board to the State
23 Comptroller, the State Comptroller shall direct and the State
24 Treasurer shall transfer 58% to the General Revenue Fund and
25 42% to the Capital Projects Fund.

26 (c) Beginning with July 2021, and on a monthly basis

1 thereafter, the Board shall certify to the State Comptroller
2 the amount of license fees collected in the month for initial
3 licenses issued under this Act, except for occupational
4 licenses. As soon after certification as practicable, the
5 State Comptroller shall direct and the State Treasurer shall
6 transfer the certified amount from the Sports Wagering Fund to
7 the Rebuild Illinois Projects Fund.

8 (d) Beginning on July 1, 2024, and for each 12-month
9 period thereafter, for the privilege of holding a license to
10 operate sports wagering under this Act, this State shall
11 impose a privilege tax on the master sports licensee's
12 adjusted gross sports wagering receipts from sports wagering
13 over the Internet or through a mobile application based on the
14 following rates:

15 20% of annual adjusted gross sports wagering receipts
16 up to and including \$30,000,000.

17 25% of annual adjusted gross sports wagering receipts
18 in excess of \$30,000,000 but not exceeding \$50,000,000.

19 30% of annual adjusted gross sports wagering receipts
20 in excess of \$50,000,000 but not exceeding \$100,000,000.

21 35% of annual adjusted gross sports wagering receipts
22 in excess of \$100,000,000 but not exceeding \$200,000,000.

23 40% of annual adjusted gross sports wagering receipts
24 in excess of \$200,000,000.

25 (d-5) Beginning on July 1, 2024, and for each 12-month
26 period thereafter, for the privilege of holding a license to

1 operate sports wagering under this Act, this State shall
2 impose a privilege tax on the master sports licensee's
3 adjusted gross sports wagering receipts from sports wagering
4 from other than over the Internet or through a mobile
5 application based on the following rates:

6 20% of annual adjusted gross sports wagering receipts
7 up to and including \$30,000,000.

8 25% of annual adjusted gross sports wagering receipts
9 in excess of \$30,000,000 but not exceeding \$50,000,000.

10 30% of annual adjusted gross sports wagering receipts
11 in excess of \$50,000,000 but not exceeding \$100,000,000.

12 35% of annual adjusted gross sports wagering receipts
13 in excess of \$100,000,000 but not exceeding \$200,000,000.

14 40% of annual adjusted gross sports wagering receipts
15 in excess of \$200,000,000.

16 (d-7) Beginning on July 1, 2025, and each month
17 thereafter, for the privilege of holding a license to operate
18 sports wagering under this Act, this State shall impose a
19 wager tax on each master sports licensee for each individual
20 wager placed with the master sports licensee for sports
21 wagering over the Internet or through a mobile application.
22 The tax shall be based on the following schedule and shall be
23 in addition to any other taxes or fees imposed under this Act:

24 The tax shall be \$0.25 per wager for the first 20,000,000
25 annual combined Tier 1 and Tier 2 wagers.

26 The tax shall be \$0.50 per wager for each wager in excess

1 of 20,000,000 annual combined Tier 1 and Tier 2 wagers.

2 The tax levied under this subsection shall be deposited
3 monthly into the Sports Wagering Fund. The Board shall certify
4 all amounts deposited into the Sports Wagering Fund under this
5 subsection to the State Comptroller. The State Comptroller
6 shall direct and the State Treasurer shall transfer that
7 certified amount from the Sports Wagering Fund to the General
8 Revenue Fund.

9 As used in this subsection, "annual combined Tier 1 and
10 Tier 2 wagers" means the total number of individual wagers
11 placed with the licensee, regardless of outcome or payout in a
12 given fiscal year.

13 (d-10) The accrual method of accounting shall be used for
14 purposes of calculating the amount of the tax owed by the
15 licensee.

16 (d-15) The taxes levied and collected pursuant to
17 subsections (d) (d-5), and (d-7) are due and payable to the
18 Board no later than the last day of the month following the
19 calendar month in which the adjusted gross sports wagering
20 receipts were received and the tax obligation was accrued.

21 (d-20) In addition to all other taxes and payments owed
22 under this Act, any wagers offered under this Act shall be
23 subject to incur a transaction tax equal to the 1.75% of each
24 exchange wager. After the first five million exchange wagers
25 conducted by a licensee during a fiscal year, the transaction
26 tax imposed under this subsection shall increase to 3.5% of

1 each exchange wager.

2 The tax levied under this subsection shall be deposited
3 monthly into the Sports Wagering Fund. The Board shall certify
4 all amounts deposited into the Sports Wagering Fund under this
5 subsection to the State Comptroller. The State Comptroller
6 shall direct and the State Treasurer shall transfer that
7 certified amount from the Sports Wagering Fund to the General
8 Revenue Fund.

9 (e) Annually, a master sports wagering licensee shall
10 transmit to the Board an audit of the financial transactions
11 and condition of the licensee's total operations.
12 Additionally, within 90 days after the end of each quarter of
13 each fiscal year, the master sports wagering licensee shall
14 transmit to the Board a compliance report on engagement
15 procedures determined by the Board. All audits and compliance
16 engagements shall be conducted by certified public accountants
17 selected by the Board. Each certified public accountant must
18 be registered in the State of Illinois under the Illinois
19 Public Accounting Act. The compensation for each certified
20 public accountant shall be paid directly by the master sports
21 wagering licensee to the certified public accountant.

22 (Source: P.A. 103-592, eff. 6-7-24; 104-6, eff. 6-16-25.)

23 ARTICLE 135

24 Section 135-5. The Illinois Income Tax Act is amended by

1 changing Section 201 as follows:

2 (35 ILCS 5/201)

3 Sec. 201. Tax imposed.

4 (a) In general. A tax measured by net income is hereby
5 imposed on every individual, corporation, trust and estate for
6 each taxable year ending after July 31, 1969 on the privilege
7 of earning or receiving income in or as a resident of this
8 State. Such tax shall be in addition to all other occupation or
9 privilege taxes imposed by this State or by any municipal
10 corporation or political subdivision thereof.

11 (b) Rates. The tax imposed by subsection (a) of this
12 Section shall be determined as follows, except as adjusted by
13 subsection (d-1):

14 (1) In the case of an individual, trust or estate, for
15 taxable years ending prior to July 1, 1989, an amount
16 equal to 2 1/2% of the taxpayer's net income for the
17 taxable year.

18 (2) In the case of an individual, trust or estate, for
19 taxable years beginning prior to July 1, 1989 and ending
20 after June 30, 1989, an amount equal to the sum of (i) 2
21 1/2% of the taxpayer's net income for the period prior to
22 July 1, 1989, as calculated under Section 202.3, and (ii)
23 3% of the taxpayer's net income for the period after June
24 30, 1989, as calculated under Section 202.3.

25 (3) In the case of an individual, trust or estate, for

1 taxable years beginning after June 30, 1989, and ending
2 prior to January 1, 2011, an amount equal to 3% of the
3 taxpayer's net income for the taxable year.

4 (4) In the case of an individual, trust, or estate,
5 for taxable years beginning prior to January 1, 2011, and
6 ending after December 31, 2010, an amount equal to the sum
7 of (i) 3% of the taxpayer's net income for the period prior
8 to January 1, 2011, as calculated under Section 202.5, and
9 (ii) 5% of the taxpayer's net income for the period after
10 December 31, 2010, as calculated under Section 202.5.

11 (5) In the case of an individual, trust, or estate,
12 for taxable years beginning on or after January 1, 2011,
13 and ending prior to January 1, 2015, an amount equal to 5%
14 of the taxpayer's net income for the taxable year.

15 (5.1) In the case of an individual, trust, or estate,
16 for taxable years beginning prior to January 1, 2015, and
17 ending after December 31, 2014, an amount equal to the sum
18 of (i) 5% of the taxpayer's net income for the period prior
19 to January 1, 2015, as calculated under Section 202.5, and
20 (ii) 3.75% of the taxpayer's net income for the period
21 after December 31, 2014, as calculated under Section
22 202.5.

23 (5.2) In the case of an individual, trust, or estate,
24 for taxable years beginning on or after January 1, 2015,
25 and ending prior to July 1, 2017, an amount equal to 3.75%
26 of the taxpayer's net income for the taxable year.

1 (5.3) In the case of an individual, trust, or estate,
2 for taxable years beginning prior to July 1, 2017, and
3 ending after June 30, 2017, an amount equal to the sum of
4 (i) 3.75% of the taxpayer's net income for the period
5 prior to July 1, 2017, as calculated under Section 202.5,
6 and (ii) 4.95% of the taxpayer's net income for the period
7 after June 30, 2017, as calculated under Section 202.5.

8 (5.4) In the case of an individual, trust, or estate,
9 for taxable years beginning on or after July 1, 2017, an
10 amount equal to 4.95% of the taxpayer's net income for the
11 taxable year.

12 (6) In the case of a corporation, for taxable years
13 ending prior to July 1, 1989, an amount equal to 4% of the
14 taxpayer's net income for the taxable year.

15 (7) In the case of a corporation, for taxable years
16 beginning prior to July 1, 1989 and ending after June 30,
17 1989, an amount equal to the sum of (i) 4% of the
18 taxpayer's net income for the period prior to July 1,
19 1989, as calculated under Section 202.3, and (ii) 4.8% of
20 the taxpayer's net income for the period after June 30,
21 1989, as calculated under Section 202.3.

22 (8) In the case of a corporation, for taxable years
23 beginning after June 30, 1989, and ending prior to January
24 1, 2011, an amount equal to 4.8% of the taxpayer's net
25 income for the taxable year.

26 (9) In the case of a corporation, for taxable years

1 beginning prior to January 1, 2011, and ending after
2 December 31, 2010, an amount equal to the sum of (i) 4.8%
3 of the taxpayer's net income for the period prior to
4 January 1, 2011, as calculated under Section 202.5, and
5 (ii) 7% of the taxpayer's net income for the period after
6 December 31, 2010, as calculated under Section 202.5.

7 (10) In the case of a corporation, for taxable years
8 beginning on or after January 1, 2011, and ending prior to
9 January 1, 2015, an amount equal to 7% of the taxpayer's
10 net income for the taxable year.

11 (11) In the case of a corporation, for taxable years
12 beginning prior to January 1, 2015, and ending after
13 December 31, 2014, an amount equal to the sum of (i) 7% of
14 the taxpayer's net income for the period prior to January
15 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
16 of the taxpayer's net income for the period after December
17 31, 2014, as calculated under Section 202.5.

18 (12) In the case of a corporation, for taxable years
19 beginning on or after January 1, 2015, and ending prior to
20 July 1, 2017, an amount equal to 5.25% of the taxpayer's
21 net income for the taxable year.

22 (13) In the case of a corporation, for taxable years
23 beginning prior to July 1, 2017, and ending after June 30,
24 2017, an amount equal to the sum of (i) 5.25% of the
25 taxpayer's net income for the period prior to July 1,
26 2017, as calculated under Section 202.5, and (ii) 7% of

1 the taxpayer's net income for the period after June 30,
2 2017, as calculated under Section 202.5.

3 (14) In the case of a corporation, for taxable years
4 beginning on or after July 1, 2017, an amount equal to 7%
5 of the taxpayer's net income for the taxable year.

6 The rates under this subsection (b) are subject to the
7 provisions of Section 201.5.

8 (b-5) Surcharge; sale or exchange of assets, properties,
9 and intangibles of organization gaming licensees. For each of
10 taxable years 2019 through 2027, a surcharge is imposed on all
11 taxpayers on income arising from the sale or exchange of
12 capital assets, depreciable business property, real property
13 used in the trade or business, and Section 197 intangibles (i)
14 of an organization licensee under the Illinois Horse Racing
15 Act of 1975 and (ii) of an organization gaming licensee under
16 the Illinois Gambling Act. The amount of the surcharge is
17 equal to the amount of federal income tax liability for the
18 taxable year attributable to those sales and exchanges. The
19 surcharge imposed shall not apply if:

20 (1) the organization gaming license, organization
21 license, or racetrack property is transferred as a result
22 of any of the following:

23 (A) bankruptcy, a receivership, or a debt
24 adjustment initiated by or against the initial
25 licensee or the substantial owners of the initial
26 licensee;

1 (B) cancellation, revocation, or termination of
2 any such license by the Illinois Gaming Board or the
3 Illinois Racing Board;

4 (C) a determination by the Illinois Gaming Board
5 that transfer of the license is in the best interests
6 of Illinois gaming;

7 (D) the death of an owner of the equity interest in
8 a licensee;

9 (E) the acquisition of a controlling interest in
10 the stock or substantially all of the assets of a
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly
13 owned subsidiary; or

14 (G) the transfer or sale to or by one person to
15 another person where both persons were initial owners
16 of the license when the license was issued; or

17 (2) the controlling interest in the organization
18 gaming license, organization license, or racetrack
19 property is transferred in a transaction to lineal
20 descendants in which no gain or loss is recognized or as a
21 result of a transaction in accordance with Section 351 of
22 the Internal Revenue Code in which no gain or loss is
23 recognized; or

24 (3) live horse racing was not conducted in 2010 at a
25 racetrack located within 3 miles of the Mississippi River
26 under a license issued pursuant to the Illinois Horse

1 Racing Act of 1975.

2 The transfer of an organization gaming license,
3 organization license, or racetrack property by a person other
4 than the initial licensee to receive the organization gaming
5 license is not subject to a surcharge. The Department shall
6 adopt rules necessary to implement and administer this
7 subsection.

8 (c) Personal Property Tax Replacement Income Tax.
9 Beginning on July 1, 1979 and thereafter, in addition to such
10 income tax, there is also hereby imposed the Personal Property
11 Tax Replacement Income Tax measured by net income on every
12 corporation (including Subchapter S corporations), partnership
13 and trust, for each taxable year ending after June 30, 1979.
14 Such taxes are imposed on the privilege of earning or
15 receiving income in or as a resident of this State. The
16 Personal Property Tax Replacement Income Tax shall be in
17 addition to the income tax imposed by subsections (a) and (b)
18 of this Section and in addition to all other occupation or
19 privilege taxes imposed by this State or by any municipal
20 corporation or political subdivision thereof.

21 (d) Additional Personal Property Tax Replacement Income
22 Tax Rates. The personal property tax replacement income tax
23 imposed by this subsection and subsection (c) of this Section
24 in the case of a corporation, other than a Subchapter S
25 corporation and except as adjusted by subsection (d-1), shall
26 be an additional amount equal to 2.85% of such taxpayer's net

1 income for the taxable year, except that beginning on January
2 1, 1981, and thereafter, the rate of 2.85% specified in this
3 subsection shall be reduced to 2.5%, and in the case of a
4 partnership, trust or a Subchapter S corporation shall be an
5 additional amount equal to 1.5% of such taxpayer's net income
6 for the taxable year.

7 (d-1) Rate reduction for certain foreign insurers. In the
8 case of a foreign insurer, as defined by Section 35A-5 of the
9 Illinois Insurance Code, whose state or country of domicile
10 imposes on insurers domiciled in Illinois a retaliatory tax
11 (excluding any insurer whose premiums from reinsurance assumed
12 are 50% or more of its total insurance premiums as determined
13 under paragraph (2) of subsection (b) of Section 304, except
14 that for purposes of this determination premiums from
15 reinsurance do not include premiums from inter-affiliate
16 reinsurance arrangements), beginning with taxable years ending
17 on or after December 31, 1999, the sum of the rates of tax
18 imposed by subsections (b) and (d) shall be reduced (but not
19 increased) to the rate at which the total amount of tax imposed
20 under this Act, net of all credits allowed under this Act,
21 shall equal (i) the total amount of tax that would be imposed
22 on the foreign insurer's net income allocable to Illinois for
23 the taxable year by such foreign insurer's state or country of
24 domicile if that net income were subject to all income taxes
25 and taxes measured by net income imposed by such foreign
26 insurer's state or country of domicile, net of all credits

1 allowed or (ii) a rate of zero if no such tax is imposed on
2 such income by the foreign insurer's state of domicile. For
3 the purposes of this subsection (d-1), an inter-affiliate
4 includes a mutual insurer under common management.

5 (1) For the purposes of subsection (d-1), in no event
6 shall the sum of the rates of tax imposed by subsections
7 (b) and (d) be reduced below the rate at which the sum of:

8 (A) the total amount of tax imposed on such
9 foreign insurer under this Act for a taxable year, net
10 of all credits allowed under this Act, plus

11 (B) the privilege tax imposed by Section 409 of
12 the Illinois Insurance Code, the fire insurance
13 company tax imposed by Section 12 of the Fire
14 Investigation Act, and the fire department taxes
15 imposed under Section 11-10-1 of the Illinois
16 Municipal Code,

17 equals 1.25% for taxable years ending prior to December
18 31, 2003, or 1.75% for taxable years ending on or after
19 December 31, 2003, of the net taxable premiums written for
20 the taxable year, as described by subsection (1) of
21 Section 409 of the Illinois Insurance Code. This paragraph
22 will in no event increase the rates imposed under
23 subsections (b) and (d).

24 (2) Any reduction in the rates of tax imposed by this
25 subsection shall be applied first against the rates
26 imposed by subsection (b) and only after the tax imposed

1 by subsection (a) net of all credits allowed under this
2 Section other than the credit allowed under subsection (i)
3 has been reduced to zero, against the rates imposed by
4 subsection (d).

5 This subsection (d-1) is exempt from the provisions of
6 Section 250.

7 (e) Investment credit. A taxpayer shall be allowed a
8 credit against the Personal Property Tax Replacement Income
9 Tax for investment in qualified property.

10 (1) A taxpayer shall be allowed a credit equal to .5%
11 of the basis of qualified property placed in service
12 during the taxable year, provided such property is placed
13 in service on or after July 1, 1984. There shall be allowed
14 an additional credit equal to .5% of the basis of
15 qualified property placed in service during the taxable
16 year, provided such property is placed in service on or
17 after July 1, 1986, and the taxpayer's base employment
18 within Illinois has increased by 1% or more over the
19 preceding year as determined by the taxpayer's employment
20 records filed with the Illinois Department of Employment
21 Security. Taxpayers who are new to Illinois shall be
22 deemed to have met the 1% growth in base employment for the
23 first year in which they file employment records with the
24 Illinois Department of Employment Security. The provisions
25 added to this Section by Public Act 85-1200 (and restored
26 by Public Act 87-895) shall be construed as declaratory of

1 existing law and not as a new enactment. If, in any year,
2 the increase in base employment within Illinois over the
3 preceding year is less than 1%, the additional credit
4 shall be limited to that percentage times a fraction, the
5 numerator of which is .5% and the denominator of which is
6 1%, but shall not exceed .5%. The investment credit shall
7 not be allowed to the extent that it would reduce a
8 taxpayer's liability in any tax year below zero, nor may
9 any credit for qualified property be allowed for any year
10 other than the year in which the property was placed in
11 service in Illinois. For tax years ending on or after
12 December 31, 1987, and on or before December 31, 1988, the
13 credit shall be allowed for the tax year in which the
14 property is placed in service, or, if the amount of the
15 credit exceeds the tax liability for that year, whether it
16 exceeds the original liability or the liability as later
17 amended, such excess may be carried forward and applied to
18 the tax liability of the 5 taxable years following the
19 excess credit years if the taxpayer (i) makes investments
20 which cause the creation of a minimum of 2,000 full-time
21 equivalent jobs in Illinois, (ii) is located in an
22 enterprise zone established pursuant to the Illinois
23 Enterprise Zone Act and (iii) is certified by the
24 Department of Commerce and Community Affairs (now
25 Department of Commerce and Economic Opportunity) as
26 complying with the requirements specified in clause (i)

1 and (ii) by July 1, 1986. The Department of Commerce and
2 Community Affairs (now Department of Commerce and Economic
3 Opportunity) shall notify the Department of Revenue of all
4 such certifications immediately. For tax years ending
5 after December 31, 1988, the credit shall be allowed for
6 the tax year in which the property is placed in service,
7 or, if the amount of the credit exceeds the tax liability
8 for that year, whether it exceeds the original liability
9 or the liability as later amended, such excess may be
10 carried forward and applied to the tax liability of the 5
11 taxable years following the excess credit years. The
12 credit shall be applied to the earliest year for which
13 there is a liability. If there is credit from more than one
14 tax year that is available to offset a liability, earlier
15 credit shall be applied first.

16 (2) The term "qualified property" means property
17 which:

18 (A) is tangible, whether new or used, including
19 buildings and structural components of buildings and
20 signs that are real property, but not including land
21 or improvements to real property that are not a
22 structural component of a building such as
23 landscaping, sewer lines, local access roads, fencing,
24 parking lots, and other appurtenances;

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (e);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code;

6 (D) is used in Illinois by a taxpayer who is
7 primarily engaged in manufacturing, or in mining coal
8 or fluorite, or in retailing, or was placed in service
9 on or after July 1, 2006 in a River Edge Redevelopment
10 Zone established pursuant to the River Edge
11 Redevelopment Zone Act; and

12 (E) has not previously been used in Illinois in
13 such a manner and by such a person as would qualify for
14 the credit provided by this subsection (e) or
15 subsection (f).

16 (3) For purposes of this subsection (e),
17 "manufacturing" means the material staging and production
18 of tangible personal property by procedures commonly
19 regarded as manufacturing, processing, fabrication, or
20 assembling which changes some existing material into new
21 shapes, new qualities, or new combinations. For purposes
22 of this subsection (e) the term "mining" shall have the
23 same meaning as the term "mining" in Section 613(c) of the
24 Internal Revenue Code. For purposes of this subsection
25 (e), the term "retailing" means the sale of tangible
26 personal property for use or consumption and not for

1 resale, or services rendered in conjunction with the sale
2 of tangible personal property for use or consumption and
3 not for resale. For purposes of this subsection (e),
4 "tangible personal property" has the same meaning as when
5 that term is used in the Retailers' Occupation Tax Act,
6 and, for taxable years ending after December 31, 2008,
7 does not include the generation, transmission, or
8 distribution of electricity.

9 (4) The basis of qualified property shall be the basis
10 used to compute the depreciation deduction for federal
11 income tax purposes.

12 (5) If the basis of the property for federal income
13 tax depreciation purposes is increased after it has been
14 placed in service in Illinois by the taxpayer, the amount
15 of such increase shall be deemed property placed in
16 service on the date of such increase in basis.

17 (6) The term "placed in service" shall have the same
18 meaning as under Section 46 of the Internal Revenue Code.

19 (7) If during any taxable year, any property ceases to
20 be qualified property in the hands of the taxpayer within
21 48 months after being placed in service, or the situs of
22 any qualified property is moved outside Illinois within 48
23 months after being placed in service, the Personal
24 Property Tax Replacement Income Tax for such taxable year
25 shall be increased. Such increase shall be determined by
26 (i) recomputing the investment credit which would have

1 been allowed for the year in which credit for such
2 property was originally allowed by eliminating such
3 property from such computation and, (ii) subtracting such
4 recomputed credit from the amount of credit previously
5 allowed. For the purposes of this paragraph (7), a
6 reduction of the basis of qualified property resulting
7 from a redetermination of the purchase price shall be
8 deemed a disposition of qualified property to the extent
9 of such reduction.

10 (8) Unless the investment credit is extended by law,
11 the basis of qualified property shall not include costs
12 incurred after December 31, 2018, except for costs
13 incurred pursuant to a binding contract entered into on or
14 before December 31, 2018.

15 (9) Each taxable year ending before December 31, 2000,
16 a partnership may elect to pass through to its partners
17 the credits to which the partnership is entitled under
18 this subsection (e) for the taxable year. A partner may
19 use the credit allocated to him or her under this
20 paragraph only against the tax imposed in subsections (c)
21 and (d) of this Section. If the partnership makes that
22 election, those credits shall be allocated among the
23 partners in the partnership in accordance with the rules
24 set forth in Section 704(b) of the Internal Revenue Code,
25 and the rules promulgated under that Section, and the
26 allocated amount of the credits shall be allowed to the

1 partners for that taxable year. The partnership shall make
2 this election on its Personal Property Tax Replacement
3 Income Tax return for that taxable year. The election to
4 pass through the credits shall be irrevocable.

5 For taxable years ending on or after December 31,
6 2000, a partner that qualifies its partnership for a
7 subtraction under subparagraph (I) of paragraph (2) of
8 subsection (d) of Section 203 or a shareholder that
9 qualifies a Subchapter S corporation for a subtraction
10 under subparagraph (S) of paragraph (2) of subsection (b)
11 of Section 203 shall be allowed a credit under this
12 subsection (e) equal to its share of the credit earned
13 under this subsection (e) during the taxable year by the
14 partnership or Subchapter S corporation, determined in
15 accordance with the determination of income and
16 distributive share of income under Sections 702 and 704
17 and Subchapter S of the Internal Revenue Code. This
18 paragraph is exempt from the provisions of Section 250.

19 (f) Investment credit; Enterprise Zone; River Edge
20 Redevelopment Zone.

21 (1) A taxpayer shall be allowed a credit against the
22 tax imposed by subsections (a) and (b) of this Section for
23 investment in qualified property which is placed in
24 service in an Enterprise Zone created pursuant to the
25 Illinois Enterprise Zone Act or, for property placed in
26 service on or after July 1, 2006, a River Edge

1 Redevelopment Zone established pursuant to the River Edge
2 Redevelopment Zone Act. For partners, shareholders of
3 Subchapter S corporations, and owners of limited liability
4 companies, if the liability company is treated as a
5 partnership for purposes of federal and State income
6 taxation, for taxable years ending before December 31,
7 2023, there shall be allowed a credit under this
8 subsection (f) to be determined in accordance with the
9 determination of income and distributive share of income
10 under Sections 702 and 704 and Subchapter S of the
11 Internal Revenue Code. For taxable years ending on or
12 after December 31, 2023, for partners and shareholders of
13 Subchapter S corporations, the provisions of Section 251
14 shall apply with respect to the credit under this
15 subsection. The credit shall be .5% of the basis for such
16 property. The credit shall be available only in the
17 taxable year in which the property is placed in service in
18 the Enterprise Zone or River Edge Redevelopment Zone and
19 shall not be allowed to the extent that it would reduce a
20 taxpayer's liability for the tax imposed by subsections
21 (a) and (b) of this Section to below zero. For tax years
22 ending on or after December 31, 1985, the credit shall be
23 allowed for the tax year in which the property is placed in
24 service, or, if the amount of the credit exceeds the tax
25 liability for that year, whether it exceeds the original
26 liability or the liability as later amended, such excess

1 may be carried forward and applied to the tax liability of
2 the 5 taxable years following the excess credit year. The
3 credit shall be applied to the earliest year for which
4 there is a liability. If there is credit from more than one
5 tax year that is available to offset a liability, the
6 credit accruing first in time shall be applied first.

7 (2) The term qualified property means property which:

8 (A) is tangible, whether new or used, including
9 buildings and structural components of buildings;

10 (B) is depreciable pursuant to Section 167 of the
11 Internal Revenue Code, except that "3-year property"
12 as defined in Section 168(c)(2)(A) of that Code is not
13 eligible for the credit provided by this subsection
14 (f);

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code;

17 (D) is used in the Enterprise Zone or River Edge
18 Redevelopment Zone by the taxpayer; and

19 (E) has not been previously used in Illinois in
20 such a manner and by such a person as would qualify for
21 the credit provided by this subsection (f) or
22 subsection (e).

23 (3) The basis of qualified property shall be the basis
24 used to compute the depreciation deduction for federal
25 income tax purposes.

26 (4) If the basis of the property for federal income

1 tax depreciation purposes is increased after it has been
2 placed in service in the Enterprise Zone or River Edge
3 Redevelopment Zone by the taxpayer, the amount of such
4 increase shall be deemed property placed in service on the
5 date of such increase in basis.

6 (5) The term "placed in service" shall have the same
7 meaning as under Section 46 of the Internal Revenue Code.

8 (6) If during any taxable year, any property ceases to
9 be qualified property in the hands of the taxpayer within
10 48 months after being placed in service, or the situs of
11 any qualified property is moved outside the Enterprise
12 Zone or River Edge Redevelopment Zone within 48 months
13 after being placed in service, the tax imposed under
14 subsections (a) and (b) of this Section for such taxable
15 year shall be increased. Such increase shall be determined
16 by (i) recomputing the investment credit which would have
17 been allowed for the year in which credit for such
18 property was originally allowed by eliminating such
19 property from such computation, and (ii) subtracting such
20 recomputed credit from the amount of credit previously
21 allowed. For the purposes of this paragraph (6), a
22 reduction of the basis of qualified property resulting
23 from a redetermination of the purchase price shall be
24 deemed a disposition of qualified property to the extent
25 of such reduction.

26 (7) There shall be allowed an additional credit equal

1 to 0.5% of the basis of qualified property placed in
2 service during the taxable year in a River Edge
3 Redevelopment Zone, provided such property is placed in
4 service on or after July 1, 2006, and the taxpayer's base
5 employment within Illinois has increased by 1% or more
6 over the preceding year as determined by the taxpayer's
7 employment records filed with the Illinois Department of
8 Employment Security. Taxpayers who are new to Illinois
9 shall be deemed to have met the 1% growth in base
10 employment for the first year in which they file
11 employment records with the Illinois Department of
12 Employment Security. If, in any year, the increase in base
13 employment within Illinois over the preceding year is less
14 than 1%, the additional credit shall be limited to that
15 percentage times a fraction, the numerator of which is
16 0.5% and the denominator of which is 1%, but shall not
17 exceed 0.5%.

18 (8) For taxable years beginning on or after January 1,
19 2021, there shall be allowed an Enterprise Zone
20 construction jobs credit against the taxes imposed under
21 subsections (a) and (b) of this Section as provided in
22 Section 13 of the Illinois Enterprise Zone Act.

23 The credit or credits may not reduce the taxpayer's
24 liability to less than zero. If the amount of the credit or
25 credits exceeds the taxpayer's liability, the excess may
26 be carried forward and applied against the taxpayer's

1 liability in succeeding calendar years in the same manner
2 provided under paragraph (4) of Section 211 of this Act.
3 The credit or credits shall be applied to the earliest
4 year for which there is a tax liability. If there are
5 credits from more than one taxable year that are available
6 to offset a liability, the earlier credit shall be applied
7 first.

8 For partners, shareholders of Subchapter S
9 corporations, and owners of limited liability companies,
10 if the liability company is treated as a partnership for
11 the purposes of federal and State income taxation, for
12 taxable years ending before December 31, 2023, there shall
13 be allowed a credit under this Section to be determined in
14 accordance with the determination of income and
15 distributive share of income under Sections 702 and 704
16 and Subchapter S of the Internal Revenue Code. For taxable
17 years ending on or after December 31, 2023, for partners
18 and shareholders of Subchapter S corporations, the
19 provisions of Section 251 shall apply with respect to the
20 credit under this subsection.

21 The total aggregate amount of credits awarded under
22 the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
23 shall not exceed \$20,000,000 in any State fiscal year.

24 This paragraph (8) is exempt from the provisions of
25 Section 250.

26 (g) (Blank).

1 (h) Investment credit; High Impact Business.

2 (1) Subject to subsections (b) and (b-5) of Section
3 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
4 be allowed a credit against the tax imposed by subsections
5 (a) and (b) of this Section for investment in qualified
6 property which is placed in service by a Department of
7 Commerce and Economic Opportunity designated High Impact
8 Business. The credit shall be .5% of the basis for such
9 property. The credit shall not be available (i) until the
10 minimum investments in qualified property set forth in
11 subdivision (a)(3)(A) of Section 5.5 of the Illinois
12 Enterprise Zone Act have been satisfied or (ii) until the
13 time authorized in subsection (b-5) of the Illinois
14 Enterprise Zone Act for entities designated as High Impact
15 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
16 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
17 Act, and shall not be allowed to the extent that it would
18 reduce a taxpayer's liability for the tax imposed by
19 subsections (a) and (b) of this Section to below zero. The
20 credit applicable to such investments shall be taken in
21 the taxable year in which such investments have been
22 completed. The credit for additional investments beyond
23 the minimum investment by a designated high impact
24 business authorized under subdivision (a)(3)(A) of Section
25 5.5 of the Illinois Enterprise Zone Act shall be available
26 only in the taxable year in which the property is placed in

1 service and shall not be allowed to the extent that it
2 would reduce a taxpayer's liability for the tax imposed by
3 subsections (a) and (b) of this Section to below zero. For
4 tax years ending on or after December 31, 1987, the credit
5 shall be allowed for the tax year in which the property is
6 placed in service, or, if the amount of the credit exceeds
7 the tax liability for that year, whether it exceeds the
8 original liability or the liability as later amended, such
9 excess may be carried forward and applied to the tax
10 liability of the 5 taxable years following the excess
11 credit year. The credit shall be applied to the earliest
12 year for which there is a liability. If there is credit
13 from more than one tax year that is available to offset a
14 liability, the credit accruing first in time shall be
15 applied first.

16 Changes made in this subdivision (h)(1) by Public Act
17 88-670 restore changes made by Public Act 85-1182 and
18 reflect existing law.

19 (2) The term qualified property means property which:

20 (A) is tangible, whether new or used, including
21 buildings and structural components of buildings;

22 (B) is depreciable pursuant to Section 167 of the
23 Internal Revenue Code, except that "3-year property"
24 as defined in Section 168(c)(2)(A) of that Code is not
25 eligible for the credit provided by this subsection
26 (h);

1 (C) is acquired by purchase as defined in Section
2 179(d) of the Internal Revenue Code; and

3 (D) is not eligible for the Enterprise Zone
4 Investment Credit provided by subsection (f) of this
5 Section.

6 (3) The basis of qualified property shall be the basis
7 used to compute the depreciation deduction for federal
8 income tax purposes.

9 (4) If the basis of the property for federal income
10 tax depreciation purposes is increased after it has been
11 placed in service in a federally designated Foreign Trade
12 Zone or Sub-Zone located in Illinois by the taxpayer, the
13 amount of such increase shall be deemed property placed in
14 service on the date of such increase in basis.

15 (5) The term "placed in service" shall have the same
16 meaning as under Section 46 of the Internal Revenue Code.

17 (6) If during any taxable year ending on or before
18 December 31, 1996, any property ceases to be qualified
19 property in the hands of the taxpayer within 48 months
20 after being placed in service, or the situs of any
21 qualified property is moved outside Illinois within 48
22 months after being placed in service, the tax imposed
23 under subsections (a) and (b) of this Section for such
24 taxable year shall be increased. Such increase shall be
25 determined by (i) recomputing the investment credit which
26 would have been allowed for the year in which credit for

1 such property was originally allowed by eliminating such
2 property from such computation, and (ii) subtracting such
3 recomputed credit from the amount of credit previously
4 allowed. For the purposes of this paragraph (6), a
5 reduction of the basis of qualified property resulting
6 from a redetermination of the purchase price shall be
7 deemed a disposition of qualified property to the extent
8 of such reduction.

9 (7) Beginning with tax years ending after December 31,
10 1996, if a taxpayer qualifies for the credit under this
11 subsection (h) and thereby is granted a tax abatement and
12 the taxpayer relocates its entire facility in violation of
13 the explicit terms and length of the contract under
14 Section 18-183 of the Property Tax Code, the tax imposed
15 under subsections (a) and (b) of this Section shall be
16 increased for the taxable year in which the taxpayer
17 relocated its facility by an amount equal to the amount of
18 credit received by the taxpayer under this subsection (h).

19 (h-5) High Impact Business construction jobs credit. For
20 taxable years beginning on or after January 1, 2021, there
21 shall also be allowed a High Impact Business construction jobs
22 credit against the tax imposed under subsections (a) and (b)
23 of this Section as provided in subsections (i) and (j) of
24 Section 5.5 of the Illinois Enterprise Zone Act.

25 The credit or credits may not reduce the taxpayer's
26 liability to less than zero. If the amount of the credit or

1 credits exceeds the taxpayer's liability, the excess may be
2 carried forward and applied against the taxpayer's liability
3 in succeeding calendar years in the manner provided under
4 paragraph (4) of Section 211 of this Act. The credit or credits
5 shall be applied to the earliest year for which there is a tax
6 liability. If there are credits from more than one taxable
7 year that are available to offset a liability, the earlier
8 credit shall be applied first.

9 For partners, shareholders of Subchapter S corporations,
10 and owners of limited liability companies, for taxable years
11 ending before December 31, 2023, if the liability company is
12 treated as a partnership for the purposes of federal and State
13 income taxation, there shall be allowed a credit under this
14 Section to be determined in accordance with the determination
15 of income and distributive share of income under Sections 702
16 and 704 and Subchapter S of the Internal Revenue Code. For
17 taxable years ending on or after December 31, 2023, for
18 partners and shareholders of Subchapter S corporations, the
19 provisions of Section 251 shall apply with respect to the
20 credit under this subsection.

21 The total aggregate amount of credits awarded under the
22 Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not
23 exceed \$20,000,000 in any State fiscal year.

24 This subsection (h-5) is exempt from the provisions of
25 Section 250.

26 (i) Credit for Personal Property Tax Replacement Income

1 Tax. For tax years ending prior to December 31, 2003, a credit
2 shall be allowed against the tax imposed by subsections (a)
3 and (b) of this Section for the tax imposed by subsections (c)
4 and (d) of this Section. This credit shall be computed by
5 multiplying the tax imposed by subsections (c) and (d) of this
6 Section by a fraction, the numerator of which is base income
7 allocable to Illinois and the denominator of which is Illinois
8 base income, and further multiplying the product by the tax
9 rate imposed by subsections (a) and (b) of this Section.

10 Any credit earned on or after December 31, 1986 under this
11 subsection which is unused in the year the credit is computed
12 because it exceeds the tax liability imposed by subsections
13 (a) and (b) for that year (whether it exceeds the original
14 liability or the liability as later amended) may be carried
15 forward and applied to the tax liability imposed by
16 subsections (a) and (b) of the 5 taxable years following the
17 excess credit year, provided that no credit may be carried
18 forward to any year ending on or after December 31, 2003. This
19 credit shall be applied first to the earliest year for which
20 there is a liability. If there is a credit under this
21 subsection from more than one tax year that is available to
22 offset a liability the earliest credit arising under this
23 subsection shall be applied first.

24 If, during any taxable year ending on or after December
25 31, 1986, the tax imposed by subsections (c) and (d) of this
26 Section for which a taxpayer has claimed a credit under this

1 subsection (i) is reduced, the amount of credit for such tax
2 shall also be reduced. Such reduction shall be determined by
3 recomputing the credit to take into account the reduced tax
4 imposed by subsections (c) and (d). If any portion of the
5 reduced amount of credit has been carried to a different
6 taxable year, an amended return shall be filed for such
7 taxable year to reduce the amount of credit claimed.

8 (j) Training expense credit. Beginning with tax years
9 ending on or after December 31, 1986 and prior to December 31,
10 2003, a taxpayer shall be allowed a credit against the tax
11 imposed by subsections (a) and (b) under this Section for all
12 amounts paid or accrued, on behalf of all persons employed by
13 the taxpayer in Illinois or Illinois residents employed
14 outside of Illinois by a taxpayer, for educational or
15 vocational training in semi-technical or technical fields or
16 semi-skilled or skilled fields, which were deducted from gross
17 income in the computation of taxable income. The credit
18 against the tax imposed by subsections (a) and (b) shall be
19 1.6% of such training expenses. For partners, shareholders of
20 subchapter S corporations, and owners of limited liability
21 companies, if the liability company is treated as a
22 partnership for purposes of federal and State income taxation,
23 for taxable years ending before December 31, 2023, there shall
24 be allowed a credit under this subsection (j) to be determined
25 in accordance with the determination of income and
26 distributive share of income under Sections 702 and 704 and

1 subchapter S of the Internal Revenue Code. For taxable years
2 ending on or after December 31, 2023, for partners and
3 shareholders of Subchapter S corporations, the provisions of
4 Section 251 shall apply with respect to the credit under this
5 subsection.

6 Any credit allowed under this subsection which is unused
7 in the year the credit is earned may be carried forward to each
8 of the 5 taxable years following the year for which the credit
9 is first computed until it is used. This credit shall be
10 applied first to the earliest year for which there is a
11 liability. If there is a credit under this subsection from
12 more than one tax year that is available to offset a liability,
13 the earliest credit arising under this subsection shall be
14 applied first. No carryforward credit may be claimed in any
15 tax year ending on or after December 31, 2003.

16 (k) Research and development credit. For tax years ending
17 after July 1, 1990 and prior to December 31, 2003, and
18 beginning again for tax years ending on or after December 31,
19 2004, and ending prior to January 1, 2032, a taxpayer shall be
20 allowed a credit against the tax imposed by subsections (a)
21 and (b) of this Section for increasing research activities in
22 this State. The credit allowed against the tax imposed by
23 subsections (a) and (b) shall be equal to 6 1/2% of the
24 qualifying expenditures for increasing research activities in
25 this State. For partners, shareholders of subchapter S
26 corporations, and owners of limited liability companies, if

1 the liability company is treated as a partnership for purposes
2 of federal and State income taxation, for taxable years ending
3 before December 31, 2023, there shall be allowed a credit
4 under this subsection to be determined in accordance with the
5 determination of income and distributive share of income under
6 Sections 702 and 704 and subchapter S of the Internal Revenue
7 Code. For taxable years ending on or after December 31, 2023,
8 for partners and shareholders of Subchapter S corporations,
9 the provisions of Section 251 shall apply with respect to the
10 credit under this subsection.

11 For purposes of this subsection, "qualifying expenditures"
12 means the qualifying expenditures as defined for the federal
13 credit for increasing research activities which would be
14 allowable under Section 41 of the Internal Revenue Code and
15 which are conducted in this State, "qualifying expenditures
16 for increasing research activities in this State" means the
17 excess of qualifying expenditures for the taxable year in
18 which incurred over qualifying expenditures for the base
19 period, "qualifying expenditures for the base period" means
20 the average of the qualifying expenditures for each year in
21 the base period, and "base period" means the 3 taxable years
22 immediately preceding the taxable year for which the
23 determination is being made.

24 Any credit in excess of the tax liability for the taxable
25 year may be carried forward. A taxpayer may elect to have the
26 unused credit shown on its final completed return carried over

1 as a credit against the tax liability for the following 5
2 taxable years or until it has been fully used, whichever
3 occurs first; provided that no credit earned in a tax year
4 ending prior to December 31, 2003 may be carried forward to any
5 year ending on or after December 31, 2003.

6 If an unused credit is carried forward to a given year from
7 2 or more earlier years, that credit arising in the earliest
8 year will be applied first against the tax liability for the
9 given year. If a tax liability for the given year still
10 remains, the credit from the next earliest year will then be
11 applied, and so on, until all credits have been used or no tax
12 liability for the given year remains. Any remaining unused
13 credit or credits then will be carried forward to the next
14 following year in which a tax liability is incurred, except
15 that no credit can be carried forward to a year which is more
16 than 5 years after the year in which the expense for which the
17 credit is given was incurred.

18 No inference shall be drawn from Public Act 91-644 in
19 construing this Section for taxable years beginning before
20 January 1, 1999.

21 It is the intent of the General Assembly that the research
22 and development credit under this subsection (k) shall apply
23 continuously for all tax years ending on or after December 31,
24 2004 and ending prior to January 1, 2032, including, but not
25 limited to, the period beginning on January 1, 2016 and ending
26 on July 6, 2017 (the effective date of Public Act 100-22). All

1 actions taken in reliance on the continuation of the credit
2 under this subsection (k) by any taxpayer are hereby
3 validated.

4 (l) Environmental Remediation Tax Credit.

5 (i) For tax years ending after December 31, 1997 and
6 on or before December 31, 2001, a taxpayer shall be
7 allowed a credit against the tax imposed by subsections
8 (a) and (b) of this Section for certain amounts paid for
9 unreimbursed eligible remediation costs, as specified in
10 this subsection. For purposes of this Section,
11 "unreimbursed eligible remediation costs" means costs
12 approved by the Illinois Environmental Protection Agency
13 ("Agency") under Section 58.14 of the Environmental
14 Protection Act that were paid in performing environmental
15 remediation at a site for which a No Further Remediation
16 Letter was issued by the Agency and recorded under Section
17 58.10 of the Environmental Protection Act. The credit must
18 be claimed for the taxable year in which Agency approval
19 of the eligible remediation costs is granted. The credit
20 is not available to any taxpayer if the taxpayer or any
21 related party caused or contributed to, in any material
22 respect, a release of regulated substances on, in, or
23 under the site that was identified and addressed by the
24 remedial action pursuant to the Site Remediation Program
25 of the Environmental Protection Act. After the Pollution
26 Control Board rules are adopted pursuant to the Illinois

1 Administrative Procedure Act for the administration and
2 enforcement of Section 58.9 of the Environmental
3 Protection Act, determinations as to credit availability
4 for purposes of this Section shall be made consistent with
5 those rules. For purposes of this Section, "taxpayer"
6 includes a person whose tax attributes the taxpayer has
7 succeeded to under Section 381 of the Internal Revenue
8 Code and "related party" includes the persons disallowed a
9 deduction for losses by paragraphs (b), (c), and (f)(1) of
10 Section 267 of the Internal Revenue Code by virtue of
11 being a related taxpayer, as well as any of its partners.
12 The credit allowed against the tax imposed by subsections
13 (a) and (b) shall be equal to 25% of the unreimbursed
14 eligible remediation costs in excess of \$100,000 per site,
15 except that the \$100,000 threshold shall not apply to any
16 site contained in an enterprise zone as determined by the
17 Department of Commerce and Community Affairs (now
18 Department of Commerce and Economic Opportunity). The
19 total credit allowed shall not exceed \$40,000 per year
20 with a maximum total of \$150,000 per site. For partners
21 and shareholders of subchapter S corporations, there shall
22 be allowed a credit under this subsection to be determined
23 in accordance with the determination of income and
24 distributive share of income under Sections 702 and 704
25 and subchapter S of the Internal Revenue Code.

26 (ii) A credit allowed under this subsection that is

1 unused in the year the credit is earned may be carried
2 forward to each of the 5 taxable years following the year
3 for which the credit is first earned until it is used. The
4 term "unused credit" does not include any amounts of
5 unreimbursed eligible remediation costs in excess of the
6 maximum credit per site authorized under paragraph (i).
7 This credit shall be applied first to the earliest year
8 for which there is a liability. If there is a credit under
9 this subsection from more than one tax year that is
10 available to offset a liability, the earliest credit
11 arising under this subsection shall be applied first. A
12 credit allowed under this subsection may be sold to a
13 buyer as part of a sale of all or part of the remediation
14 site for which the credit was granted. The purchaser of a
15 remediation site and the tax credit shall succeed to the
16 unused credit and remaining carry-forward period of the
17 seller. To perfect the transfer, the assignor shall record
18 the transfer in the chain of title for the site and provide
19 written notice to the Director of the Illinois Department
20 of Revenue of the assignor's intent to sell the
21 remediation site and the amount of the tax credit to be
22 transferred as a portion of the sale. In no event may a
23 credit be transferred to any taxpayer if the taxpayer or a
24 related party would not be eligible under the provisions
25 of subsection (i).

26 (iii) For purposes of this Section, the term "site"

1 shall have the same meaning as under Section 58.2 of the
2 Environmental Protection Act.

3 (m) Education expense credit. Beginning with tax years
4 ending after December 31, 1999, a taxpayer who is the
5 custodian of one or more qualifying pupils shall be allowed a
6 credit against the tax imposed by subsections (a) and (b) of
7 this Section for qualified education expenses incurred on
8 behalf of the qualifying pupils. The credit shall be equal to
9 25% of qualified education expenses, but in no event may the
10 total credit under this subsection claimed by a family that is
11 the custodian of qualifying pupils exceed (i) \$500 for tax
12 years ending prior to December 31, 2017, and (ii) \$750 for tax
13 years ending on or after December 31, 2017. In no event shall a
14 credit under this subsection reduce the taxpayer's liability
15 under this Act to less than zero. Notwithstanding any other
16 provision of law, for taxable years beginning on or after
17 January 1, 2017, no taxpayer may claim a credit under this
18 subsection (m) if the taxpayer's adjusted gross income for the
19 taxable year exceeds (i) \$500,000, in the case of spouses
20 filing a joint federal tax return or (ii) \$250,000, in the case
21 of all other taxpayers. This subsection is exempt from the
22 provisions of Section 250 of this Act.

23 For purposes of this subsection:

24 "Qualifying pupils" means individuals who (i) are
25 residents of the State of Illinois, (ii) are under the age of
26 21 at the close of the school year for which a credit is

1 sought, and (iii) during the school year for which a credit is
2 sought were full-time pupils enrolled in a kindergarten
3 through twelfth grade education program at any school, as
4 defined in this subsection.

5 "Qualified education expense" means the amount incurred on
6 behalf of a qualifying pupil in excess of \$250 for tuition,
7 book fees, and lab fees at the school in which the pupil is
8 enrolled during the regular school year.

9 "School" means any public or nonpublic elementary or
10 secondary school in Illinois that is in compliance with Title
11 VI of the Civil Rights Act of 1964 and attendance at which
12 satisfies the requirements of Section 26-1 of the School Code,
13 except that nothing shall be construed to require a child to
14 attend any particular public or nonpublic school to qualify
15 for the credit under this Section.

16 "Custodian" means, with respect to qualifying pupils, an
17 Illinois resident who is a parent, the parents, a legal
18 guardian, or the legal guardians of the qualifying pupils.

19 (n) River Edge Redevelopment Zone site remediation tax
20 credit.

21 (i) For tax years ending on or after December 31,
22 2006, a taxpayer shall be allowed a credit against the tax
23 imposed by subsections (a) and (b) of this Section for
24 certain amounts paid for unreimbursed eligible remediation
25 costs, as specified in this subsection. For purposes of
26 this Section, "unreimbursed eligible remediation costs"

1 means costs approved by the Illinois Environmental
2 Protection Agency ("Agency") under Section 58.14a of the
3 Environmental Protection Act that were paid in performing
4 environmental remediation at a site within a River Edge
5 Redevelopment Zone for which a No Further Remediation
6 Letter was issued by the Agency and recorded under Section
7 58.10 of the Environmental Protection Act. The credit must
8 be claimed for the taxable year in which Agency approval
9 of the eligible remediation costs is granted. The credit
10 is not available to any taxpayer if the taxpayer or any
11 related party caused or contributed to, in any material
12 respect, a release of regulated substances on, in, or
13 under the site that was identified and addressed by the
14 remedial action pursuant to the Site Remediation Program
15 of the Environmental Protection Act. Determinations as to
16 credit availability for purposes of this Section shall be
17 made consistent with rules adopted by the Pollution
18 Control Board pursuant to the Illinois Administrative
19 Procedure Act for the administration and enforcement of
20 Section 58.9 of the Environmental Protection Act. For
21 purposes of this Section, "taxpayer" includes a person
22 whose tax attributes the taxpayer has succeeded to under
23 Section 381 of the Internal Revenue Code and "related
24 party" includes the persons disallowed a deduction for
25 losses by paragraphs (b), (c), and (f)(1) of Section 267
26 of the Internal Revenue Code by virtue of being a related

1 taxpayer, as well as any of its partners. The credit
2 allowed against the tax imposed by subsections (a) and (b)
3 shall be equal to 25% of the unreimbursed eligible
4 remediation costs in excess of \$100,000 per site.

5 (ii) A credit allowed under this subsection that is
6 unused in the year the credit is earned may be carried
7 forward to each of the 5 taxable years following the year
8 for which the credit is first earned until it is used. This
9 credit shall be applied first to the earliest year for
10 which there is a liability. If there is a credit under this
11 subsection from more than one tax year that is available
12 to offset a liability, the earliest credit arising under
13 this subsection shall be applied first. A credit allowed
14 under this subsection may be sold to a buyer as part of a
15 sale of all or part of the remediation site for which the
16 credit was granted. The purchaser of a remediation site
17 and the tax credit shall succeed to the unused credit and
18 remaining carry-forward period of the seller. To perfect
19 the transfer, the assignor shall record the transfer in
20 the chain of title for the site and provide written notice
21 to the Director of the Illinois Department of Revenue of
22 the assignor's intent to sell the remediation site and the
23 amount of the tax credit to be transferred as a portion of
24 the sale. In no event may a credit be transferred to any
25 taxpayer if the taxpayer or a related party would not be
26 eligible under the provisions of subsection (i).

1 (iii) For purposes of this Section, the term "site"
2 shall have the same meaning as under Section 58.2 of the
3 Environmental Protection Act.

4 (o) For each of taxable years during the Compassionate Use
5 of Medical Cannabis Program, a surcharge is imposed on all
6 taxpayers on income arising from the sale or exchange of
7 capital assets, depreciable business property, real property
8 used in the trade or business, and Section 197 intangibles of
9 an organization registrant under the Compassionate Use of
10 Medical Cannabis Program Act. The amount of the surcharge is
11 equal to the amount of federal income tax liability for the
12 taxable year attributable to those sales and exchanges. The
13 surcharge imposed does not apply if:

14 (1) the medical cannabis cultivation center
15 registration, medical cannabis dispensary registration, or
16 the property of a registration is transferred as a result
17 of any of the following:

18 (A) bankruptcy, a receivership, or a debt
19 adjustment initiated by or against the initial
20 registration or the substantial owners of the initial
21 registration;

22 (B) cancellation, revocation, or termination of
23 any registration by the Illinois Department of Public
24 Health;

25 (C) a determination by the Illinois Department of
26 Public Health that transfer of the registration is in

1 the best interests of Illinois qualifying patients as
2 defined by the Compassionate Use of Medical Cannabis
3 Program Act;

4 (D) the death of an owner of the equity interest in
5 a registrant;

6 (E) the acquisition of a controlling interest in
7 the stock or substantially all of the assets of a
8 publicly traded company;

9 (F) a transfer by a parent company to a wholly
10 owned subsidiary; or

11 (G) the transfer or sale to or by one person to
12 another person where both persons were initial owners
13 of the registration when the registration was issued;
14 or

15 (2) the cannabis cultivation center registration,
16 medical cannabis dispensary registration, or the
17 controlling interest in a registrant's property is
18 transferred in a transaction to lineal descendants in
19 which no gain or loss is recognized or as a result of a
20 transaction in accordance with Section 351 of the Internal
21 Revenue Code in which no gain or loss is recognized.

22 (p) Pass-through entity tax.

23 (1) For taxable years ending on or after December 31,
24 2021, a partnership (other than a publicly traded
25 partnership under Section 7704 of the Internal Revenue
26 Code) or Subchapter S corporation may elect to apply the

1 provisions of this subsection. A separate election shall
2 be made for each taxable year. Such election shall be made
3 at such time, and in such form and manner as prescribed by
4 the Department, and, once made, is irrevocable.

5 (2) Entity-level tax. A partnership or Subchapter S
6 corporation electing to apply the provisions of this
7 subsection shall be subject to a tax for the privilege of
8 earning or receiving income in this State in an amount
9 equal to 4.95% of the taxpayer's net income for the
10 taxable year.

11 (2.1) For taxable years ending on or after December
12 31, 2026, a partnership making an election under this
13 subsection may elect, in the manner prescribed by the
14 Department, to determine the tax base for the purposes of
15 this subsection under one of the following methods:

16 (A) Full distributive share method. The electing
17 partnership shall compute and pay tax on the full
18 distributive share of net income allocable to each
19 partner who is an Illinois resident, notwithstanding
20 the apportionment provisions of Section 304. The
21 apportioned business income shall be used solely for
22 determining the tax due on behalf of nonresident
23 partners.

24 (B) Illinois-sourced income method. The electing
25 partnership shall compute and pay tax only on that
26 portion of each partner's distributive share of net

1 income that is derived from or attributable to sources
2 within this State, determined in accordance with
3 Section 304 and the rules adopted under that Section.

4 The election under this paragraph (2.1) shall be made
5 annually and shall apply to all partners of the
6 partnership for the taxable year. The method elected shall
7 be irrevocable for that taxable year. The Department shall
8 prescribe the manner and form of the election under this
9 paragraph (2.1).

10 (3) Net income defined.

11 (A) In general. For purposes of paragraph (2), the
12 term net income has the same meaning as defined in
13 Section 202 of this Act, except that, for tax years
14 ending on or after December 31, 2023, a deduction
15 shall be allowed in computing base income for
16 distributions to a retired partner to the extent that
17 the partner's distributions are exempt from tax under
18 Section 203(a)(2)(F) of this Act. In addition, the
19 following modifications shall not apply:

20 (i) the standard exemption allowed under
21 Section 204;

22 (ii) the deduction for net losses allowed
23 under Section 207;

24 (iii) in the case of an S corporation, the
25 modification under Section 203(b)(2)(S); and

26 (iv) in the case of a partnership, the

1 modifications under Section 203(d)(2)(H) and
2 Section 203(d)(2)(I).

3 (B) Special rule for tiered partnerships. If a
4 taxpayer making the election under paragraph (1) is a
5 partner of another taxpayer making the election under
6 paragraph (1), net income shall be computed as
7 provided in subparagraph (A), except that the taxpayer
8 shall subtract its distributive share of the net
9 income of the electing partnership (including its
10 distributive share of the net income of the electing
11 partnership derived as a distributive share from
12 electing partnerships in which it is a partner).

13 (4) Credit for entity level tax. Each partner or
14 shareholder of a taxpayer making the election under this
15 Section shall be allowed a credit against the tax imposed
16 under subsections (a) and (b) of Section 201 of this Act
17 for the taxable year of the partnership or Subchapter S
18 corporation for which an election is in effect ending
19 within or with the taxable year of the partner or
20 shareholder in an amount equal to 4.95% times the partner
21 or shareholder's distributive share of the net income of
22 the electing partnership or Subchapter S corporation, but
23 not to exceed the partner's or shareholder's share of the
24 tax imposed under paragraph (1) which is actually paid by
25 the partnership or Subchapter S corporation. If the
26 taxpayer is a partnership or Subchapter S corporation that

1 is itself a partner of a partnership making the election
2 under paragraph (1), the credit under this paragraph shall
3 be allowed to the taxpayer's partners or shareholders (or
4 if the partner is a partnership or Subchapter S
5 corporation then its partners or shareholders) in
6 accordance with the determination of income and
7 distributive share of income under Sections 702 and 704
8 and Subchapter S of the Internal Revenue Code. If the
9 amount of the credit allowed under this paragraph exceeds
10 the partner's or shareholder's liability for tax imposed
11 under subsections (a) and (b) of Section 201 of this Act
12 for the taxable year, such excess shall be treated as an
13 overpayment for purposes of Section 909 of this Act.

14 (5) Nonresidents. A nonresident individual who is a
15 partner or shareholder of a partnership or Subchapter S
16 corporation for a taxable year for which an election is in
17 effect under paragraph (1) shall not be required to file
18 an income tax return under this Act for such taxable year
19 if the only source of net income of the individual (or the
20 individual and the individual's spouse in the case of a
21 joint return) is from an entity making the election under
22 paragraph (1) and the credit allowed to the partner or
23 shareholder under paragraph (4) equals or exceeds the
24 individual's liability for the tax imposed under
25 subsections (a) and (b) of Section 201 of this Act for the
26 taxable year.

1 (6) Liability for tax. Except as provided in this
2 paragraph, a partnership or Subchapter S making the
3 election under paragraph (1) is liable for the
4 entity-level tax imposed under paragraph (2). If the
5 electing partnership or corporation fails to pay the full
6 amount of tax deemed assessed under paragraph (2), the
7 partners or shareholders shall be liable to pay the tax
8 assessed (including penalties and interest). Each partner
9 or shareholder shall be liable for the unpaid assessment
10 based on the ratio of the partner's or shareholder's share
11 of the net income of the partnership over the total net
12 income of the partnership. If the partnership or
13 Subchapter S corporation fails to pay the tax assessed
14 (including penalties and interest) and thereafter an
15 amount of such tax is paid by the partners or
16 shareholders, such amount shall not be collected from the
17 partnership or corporation.

18 (7) Foreign tax. For purposes of the credit allowed
19 under Section 601(b)(3) of this Act, tax paid by a
20 partnership or Subchapter S corporation to another state
21 which, as determined by the Department, is substantially
22 similar to the tax imposed under this subsection, shall be
23 considered tax paid by the partner or shareholder to the
24 extent that the partner's or shareholder's share of the
25 income of the partnership or Subchapter S corporation
26 allocated and apportioned to such other state bears to the

1 total income of the partnership or Subchapter S
2 corporation allocated or apportioned to such other state.

3 (8) Suspension of withholding. The provisions of
4 Section 709.5 of this Act shall not apply to a partnership
5 or Subchapter S corporation for the taxable year for which
6 an election under paragraph (1) is in effect.

7 (9) Requirement to pay estimated tax. For each taxable
8 year for which an election under paragraph (1) is in
9 effect, a partnership or Subchapter S corporation is
10 required to pay estimated tax for such taxable year under
11 Sections 803 and 804 of this Act if the amount payable as
12 estimated tax can reasonably be expected to exceed \$500.

13 (10) The provisions of this subsection shall apply
14 only with respect to taxable years for which the
15 limitation on individual deductions applies under Section
16 164(b) (6) of the Internal Revenue Code.

17 (Source: P.A. 103-9, eff. 6-7-23; 103-396, eff. 1-1-24;
18 103-595, eff. 6-26-24; 103-605, eff. 7-1-24; 104-453, eff.
19 12-12-25.)

20 ARTICLE 140

21 Section 140-5. The Illinois Administrative Procedure Act
22 is amended by adding Section 5-45.71 as follows:

23 (5 ILCS 100/5-45.71 new)

1 Sec. 5-45.71. Emergency rulemaking; Illinois Gaming Board.
2 To provide for the expeditious and timely implementation of
3 Sections 25-120 through 25-120.8 of the Sports Wagering Act,
4 emergency rules implementing Sections 25-120 through 25-120.8
5 of the Sports Wagering Act may be adopted in accordance with
6 Section 5-45 by the Illinois Gaming Board. The adoption of
7 emergency rules authorized by Section 5-45 and this Section is
8 deemed to be necessary for the public interest, safety, and
9 welfare.

10 This Section is repealed one year after the effective date
11 of this amendatory Act of the 104th General Assembly.

12 Section 140-10. The Sports Wagering Act is amended by
13 changing Sections 25-10, 25-25, 25-45, and 25-100 and by
14 adding Sections 25-120, 25-120.1, 25-120.2, 25-120.3,
15 25-120.4, 25-120.5, 25-120.6, 25-120.7, and 25-120.8 as
16 follows:

17 (230 ILCS 45/25-10)

18 Sec. 25-10. Definitions. As used in this Act:

19 "Adjusted gross sports wagering receipts" means a master
20 sports wagering licensee's gross sports wagering receipts,
21 less winnings paid to wagerers in such games.

22 "Athlete" means any current or former professional athlete
23 or collegiate athlete.

24 "Board" means the Illinois Gaming Board.

1 "Covered persons" includes athletes; umpires, referees,
2 and officials; personnel associated with clubs, teams,
3 leagues, and athletic associations; medical professionals
4 (including athletic trainers) who provide services to athletes
5 and players; and the family members and associates of these
6 persons where required to serve the purposes of this Act.

7 "Department" means the Department of the Lottery.

8 "Gaming facility" means a facility at which gambling
9 operations are conducted under the Illinois Gambling Act,
10 pari-mutuel wagering is conducted under the Illinois Horse
11 Racing Act of 1975, or sports wagering is conducted under this
12 Act.

13 "Official league data" means statistics, results,
14 outcomes, and other data related to a sports event obtained
15 pursuant to an agreement with the relevant sports governing
16 body, or an entity expressly authorized by the sports
17 governing body to provide such information to licensees, that
18 authorizes the use of such data for determining the outcome of
19 tier 2 sports wagers on such sports events.

20 "Organization licensee" has the meaning given to that term
21 in the Illinois Horse Racing Act of 1975.

22 "Owners licensee" means the holder of an owners license
23 under the Illinois Gambling Act.

24 "Person" means an individual, partnership, committee,
25 association, corporation, or any other organization or group
26 of persons.

1 "Personal biometric data" means an athlete's information
2 derived from DNA, heart rate, blood pressure, perspiration
3 rate, internal or external body temperature, hormone levels,
4 glucose levels, hydration levels, vitamin levels, bone
5 density, muscle density, and sleep patterns.

6 "Prohibited conduct" includes any statement, action, and
7 other communication intended to influence, manipulate, or
8 control a betting outcome of a sporting contest or of any
9 individual occurrence or performance in a sporting contest in
10 exchange for financial gain or to avoid financial or physical
11 harm. "Prohibited conduct" includes statements, actions, and
12 communications made to a covered person by a third party, such
13 as a family member or through social media. "Prohibited
14 conduct" does not include statements, actions, or
15 communications made or sanctioned by a team or sports
16 governing body.

17 "Qualified applicant" means an applicant for a license
18 under this Act whose application meets the mandatory minimum
19 qualification criteria as required by the Board.

20 "Sporting contest" means a sports event or game on which
21 the State allows sports wagering to occur under this Act.

22 "Sports event" means a professional sport or athletic
23 event, a collegiate sport or athletic event, a motor race
24 event, or any other event or competition of relative skill
25 authorized by the Board under this Act.

26 "Sports facility" means a facility that hosts sports

1 events and holds a seating capacity greater than 17,000
2 persons, except in a municipality with a population of more
3 than 1,000,000, a seating capacity greater than 10,000
4 persons.

5 "Sports governing body" means the organization that
6 prescribes final rules and enforces codes of conduct with
7 respect to a sports event and participants therein.

8 "Sports wagering" means accepting wagers on sports events
9 or portions of sports events, or on the individual performance
10 statistics of athletes in a sports event or combination of
11 sports events, by any system or method of wagering, including,
12 but not limited to, in person or over the Internet through
13 websites and on mobile devices. "Sports wagering" includes,
14 but is not limited to, single-game bets, teaser bets, parlays,
15 over-under, moneyline, pools, exchange wagering, in-game
16 wagering, in-play bets, proposition bets, and straight bets.
17 "Sports wagering" does not include fantasy contests as that
18 term is defined in Section 25-120.1.

19 "Sports wagering account" means a financial record
20 established by a master sports wagering licensee for an
21 individual patron in which the patron may deposit and withdraw
22 funds for sports wagering and other authorized purchases and
23 to which the master sports wagering licensee may credit
24 winnings or other amounts due to that patron or authorized by
25 that patron.

26 "Tier 1 sports wager" means a sports wager that is

1 determined solely by the final score or final outcome of the
2 sports event and is placed before the sports event has begun.

3 "Tier 2 sports wager" means a sports wager that is not a
4 tier 1 sports wager.

5 "Wager" means a sum of money or thing of value risked on an
6 uncertain occurrence.

7 ~~"Winning bidder" means a qualified applicant for a master~~
8 ~~sports wagering license chosen through the competitive~~
9 ~~selection process under Section 25-45.~~

10 (Source: P.A. 101-31, eff. 6-28-19; 102-689, eff. 12-17-21.)

11 (230 ILCS 45/25-25)

12 Sec. 25-25. Sports wagering authorized.

13 (a) Notwithstanding any provision of law to the contrary,
14 the operation of sports wagering is only lawful when conducted
15 in accordance with the provisions of this Act and the rules of
16 the Illinois Gaming Board and the Department of the Lottery.

17 (b) A person placing a wager under this Act shall be at
18 least 21 years of age.

19 (c) A licensee under this Act may not accept a wager on a
20 minor league sports event.

21 (d) Except as otherwise provided in this Section, a
22 licensee under this Act may not accept a wager for a sports
23 event involving an Illinois collegiate team.

24 (d-5) Beginning on the effective date of this amendatory
25 Act of the 102nd General Assembly until July 1, 2024, a

1 licensee under this Act may accept a wager for a sports event
2 involving an Illinois collegiate team if:

3 (1) the wager is a tier 1 wager;

4 (2) the wager is not related to an individual
5 athlete's performance; and

6 (3) the wager is made in person instead of over the
7 Internet or through a mobile application.

8 (e) A licensee under this Act may only accept a wager from
9 a person physically located in the State.

10 (f) Master sports wagering licensees may use any data
11 source for determining the results of all tier 1 sports
12 wagers.

13 (g) A sports governing body headquartered in the United
14 States may notify the Board that it desires to supply official
15 league data to master sports wagering licensees for
16 determining the results of tier 2 sports wagers. Such
17 notification shall be made in the form and manner as the Board
18 may require. If a sports governing body does not notify the
19 Board of its desire to supply official league data, a master
20 sports wagering licensee may use any data source for
21 determining the results of any and all tier 2 sports wagers on
22 sports contests for that sports governing body.

23 Within 30 days of a sports governing body notifying the
24 Board, master sports wagering licensees shall use only
25 official league data to determine the results of tier 2 sports
26 wagers on sports events sanctioned by that sports governing

1 body, unless: (1) the sports governing body or designee cannot
2 provide a feed of official league data to determine the
3 results of a particular type of tier 2 sports wager, in which
4 case master sports wagering licensees may use any data source
5 for determining the results of the applicable tier 2 sports
6 wager until such time as such data feed becomes available on
7 commercially reasonable terms; or (2) a master sports wagering
8 licensee can demonstrate to the Board that the sports
9 governing body or its designee cannot provide a feed of
10 official league data to the master sports wagering licensee on
11 commercially reasonable terms. During the pendency of the
12 Board's determination, such master sports wagering licensee
13 may use any data source for determining the results of any and
14 all tier 2 sports wagers.

15 (h) A licensee under this Act may not accept wagers on a
16 kindergarten through 12th grade sports event.

17 (i) A licensee may offer pool sports wagering to State
18 patrons where State patrons compete against patrons located
19 outside of the State. In such cases, the pool must be expressly
20 permitted in all jurisdictions in which it is offered and must
21 comply with all laws, rules, and regulations in all
22 jurisdictions in which it is offered. The adjusted gross
23 sports wagering receipts of an interstate pool shall be
24 determined by the total value of all wagers placed in the State
25 less the proportional pro rata value of all winnings paid to
26 patrons. The pro rata value of all winnings shall be

1 determined by the ratio of the total value of all wagers placed
2 in the State divided by the total value of all wagers placed in
3 the pool, to the nearest .01%.

4 (Source: P.A. 102-689, eff. 12-17-21; 103-4, eff. 5-31-23.)

5 (230 ILCS 45/25-45)

6 Sec. 25-45. Master sports wagering license issued to an
7 online sports wagering operator.

8 (a) The Board may issue master sports wagering licenses to
9 persons to conduct sports wagering over the Internet or
10 through a mobile application. ~~The Board shall issue 3 master~~
11 ~~sports wagering licenses to online sports wagering operators~~
12 ~~for a nonrefundable license fee of \$20,000,000 pursuant to an~~
13 ~~open and competitive selection process. The master sports~~
14 ~~wagering license issued under this Section may be renewed~~
15 ~~every 4 years upon payment of a \$1,000,000 renewal fee.~~ To the
16 extent permitted by federal and State law, the Board shall
17 actively seek to achieve racial, ethnic, and geographic
18 diversity when issuing master sports wagering licenses under
19 this Section and encourage minority-owned businesses,
20 women-owned businesses, veteran-owned businesses, and
21 businesses owned by persons with disabilities to apply for
22 licensure.

23 For the purposes of this subsection (a), "minority-owned
24 business", "women-owned business", and "business owned by
25 persons with disabilities" have the meanings given to those

1 terms in Section 2 of the Business Enterprise for Minorities,
2 Women, and Persons with Disabilities Act.

3 (b) Applicants shall pay to the Board a nonrefundable
4 application fee in the amount of \$250,000. The initial license
5 fee for a master sports wagering license issued to an online
6 sports wagering operator is \$15,000,000. The master sports
7 wagering license is valid for 4 years. ~~Applications for the~~
8 ~~initial competitive selection occurring after the effective~~
9 ~~date of this Act shall be received by the Board within 540 days~~
10 ~~after the first license is issued under this Act to qualify.~~
11 ~~The Board shall announce the winning bidders for the initial~~
12 ~~competitive selection within 630 days after the first license~~
13 ~~is issued under this Act, and this time frame may be extended~~
14 ~~at the discretion of the Board.~~

15 (c) A licensee may renew the master sports wagering
16 license for a period of 4 years by paying a \$1,000,000 renewal
17 fee to the Board. ~~The Board shall provide public notice of its~~
18 ~~intent to solicit applications for master sports wagering~~
19 ~~licenses under this Section by posting the notice, application~~
20 ~~instructions, and materials on its website for at least 30~~
21 ~~calendar days before the applications are due. Failure by an~~
22 ~~applicant to submit all required information may result in the~~
23 ~~application being disqualified. The Board may notify an~~
24 ~~applicant that its application is incomplete and provide an~~
25 ~~opportunity to cure by rule. Application instructions shall~~
26 ~~include a brief overview of the selection process and how~~

1 ~~applications are scored.~~

2 (d) A master sports wagering licensee may conduct sports
3 wagering over the Internet or through a mobile application. ~~To~~
4 ~~be eligible for a master sports wagering license under this~~
5 ~~Section, an applicant must: (1) be at least 21 years of age;~~
6 ~~(2) not have been convicted of a felony offense or a violation~~
7 ~~of Article 28 of the Criminal Code of 1961 or the Criminal Code~~
8 ~~of 2012 or a similar statute of any other jurisdiction; (3) not~~
9 ~~have been convicted of a crime involving dishonesty or moral~~
10 ~~turpitude; (4) have demonstrated a level of skill or knowledge~~
11 ~~that the Board determines to be necessary in order to operate~~
12 ~~sports wagering; and (5) have met standards for the holding of~~
13 ~~a license as adopted by rules of the Board.~~

14 ~~The Board may adopt rules to establish additional~~
15 ~~qualifications and requirements to preserve the integrity and~~
16 ~~security of sports wagering in this State and to promote and~~
17 ~~maintain a competitive sports wagering market. After the close~~
18 ~~of the application period, the Board shall determine whether~~
19 ~~the applications meet the mandatory minimum qualification~~
20 ~~criteria and conduct a comprehensive, fair, and impartial~~
21 ~~evaluation of all qualified applications.~~

22 (e) (Blank). ~~The Board shall open all qualified~~
23 ~~applications in a public forum and disclose the applicants'~~
24 ~~names. The Board shall summarize the terms of the proposals~~
25 ~~and make the summaries available to the public on its website.~~

26 (f) (Blank). ~~Not more than 90 days after the publication~~

1 ~~of the qualified applications, the Board shall identify the~~
2 ~~winning bidders. In granting the licenses, the Board may give~~
3 ~~favorable consideration to qualified applicants presenting~~
4 ~~plans that provide for economic development and community~~
5 ~~engagement. To the extent permitted by federal and State law,~~
6 ~~the Board may give favorable consideration to qualified~~
7 ~~applicants demonstrating commitment to diversity in the~~
8 ~~workplace.~~

9 (g) (Blank). ~~Upon selection of the winning bidders, the~~
10 ~~Board shall have a reasonable period of time to ensure~~
11 ~~compliance with all applicable statutory and regulatory~~
12 ~~criteria before issuing the licenses. If the Board determines~~
13 ~~a winning bidder does not satisfy all applicable statutory and~~
14 ~~regulatory criteria, the Board shall select another bidder~~
15 ~~from the remaining qualified applicants.~~

16 (h) (Blank). ~~Nothing in this Section is intended to confer~~
17 ~~a property or other right, duty, privilege, or interest~~
18 ~~entitling an applicant to an administrative hearing upon~~
19 ~~denial of an application.~~

20 (i) (Blank). ~~Upon issuance of a master sports wagering~~
21 ~~license to a winning bidder, the information and plans~~
22 ~~provided in the application become a condition of the license.~~
23 ~~A master sports wagering licensee under this Section has a~~
24 ~~duty to disclose any material changes to the application.~~
25 ~~Failure to comply with the conditions or requirements in the~~
26 ~~application may subject the master sports wagering licensee~~

1 ~~under this Section to discipline, including, but not limited~~
2 ~~to, fines, suspension, and revocation of its license, pursuant~~
3 ~~to rules adopted by the Board.~~

4 (j) (Blank). ~~The Board shall disseminate information about~~
5 ~~the licensing process through media demonstrated to reach~~
6 ~~large numbers of business owners and entrepreneurs who are~~
7 ~~minorities, women, veterans, and persons with disabilities.~~

8 (k) (Blank). ~~The Department of Commerce and Economic~~
9 ~~Opportunity, in conjunction with the Board, shall conduct~~
10 ~~ongoing, thorough, and comprehensive outreach to businesses~~
11 ~~owned by minorities, women, veterans, and persons with~~
12 ~~disabilities about contracting and entrepreneurial~~
13 ~~opportunities in sports wagering. This outreach shall include,~~
14 ~~but not be limited to:~~

15 ~~(1) cooperating and collaborating with other State~~
16 ~~boards, commissions, and agencies; public and private~~
17 ~~universities and community colleges; and local governments~~
18 ~~to target outreach efforts; and~~

19 ~~(2) working with organizations serving minorities,~~
20 ~~women, and persons with disabilities to establish and~~
21 ~~conduct training for employment in sports wagering.~~

22 (l) (Blank). ~~The Board shall partner with the Department~~
23 ~~of Labor, the Department of Financial and Professional~~
24 ~~Regulation, and the Department of Commerce and Economic~~
25 ~~Opportunity to identify employment opportunities within the~~
26 ~~sports wagering industry for job seekers and dislocated~~

1 ~~workers.~~

2 (m) By March 1, 2020, the Board shall prepare a request for
3 proposals to conduct a study of the online sports wagering
4 industry and market to determine whether there is a compelling
5 interest in implementing remedial measures, including the
6 application of the Business Enterprise Program under the
7 Business Enterprise for Minorities, Women, and Persons with
8 Disabilities Act or a similar program to assist minorities,
9 women, and persons with disabilities in the sports wagering
10 industry.

11 As a part of the study, the Board shall evaluate race and
12 gender-neutral programs or other methods that may be used to
13 address the needs of minority and women applicants and
14 minority-owned and women-owned businesses seeking to
15 participate in the sports wagering industry. The Board shall
16 submit to the General Assembly and publish on its website the
17 results of this study by August 1, 2020.

18 ~~If, as a result of the study conducted under this~~
19 ~~subsection (m), the Board finds that there is a compelling~~
20 ~~interest in implementing remedial measures, the Board may~~
21 ~~adopt rules, including emergency rules, to implement remedial~~
22 ~~measures, if necessary and to the extent permitted by State~~
23 ~~and federal law, based on the findings of the study conducted~~
24 ~~under this subsection (m).~~

25 (Source: P.A. 101-31, eff. 6-28-19.)

1 (230 ILCS 45/25-100)

2 Sec. 25-100. Voluntary self-exclusion program for sports
3 wagering and fantasy contests. Any resident, or non-resident
4 if allowed to participate in sports wagering or fantasy
5 contests, may voluntarily prohibit himself or herself from
6 establishing a sports wagering account or fantasy contest
7 account with a licensee under this Act. The Board and
8 Department shall incorporate the voluntary self-exclusion
9 program for sports wagering and fantasy contests into any
10 existing self-exclusion program that it operates on the
11 effective date of this Act.

12 (Source: P.A. 101-31, eff. 6-28-19.)

13 (230 ILCS 45/25-120 new)

14 Sec. 25-120. Fantasy contests; legislative intent. Fantasy
15 contests are legally distinct from sports wagering.
16 Nonetheless, the State seeks to ensure both public confidence
17 and trust in the credibility and integrity of fantasy
18 contests, as well as to protect the public health and general
19 welfare of the people of the State. Therefore, regulatory
20 provisions of this Act are designed to strictly regulate the
21 facilities, persons, associations, and practices related to
22 fantasy contest operations pursuant to the police powers of
23 the State, including comprehensive law enforcement
24 supervision.

1 (230 ILCS 45/25-120.1 new)

2 Sec. 25-120.1. Definitions. As used in Sections 25-120
3 through 25-120.8:

4 "Adjusted gross fantasy contest receipts" means the total
5 gross entry fees collected from fantasy contest participants
6 in the State, less the in-state participant pro rata share of
7 the total cash prizes paid to any participants in those
8 contests.

9 "Entry fee" means a nonrefundable cash fee that is paid by
10 or on behalf of a participant, or any other entry method
11 obtained for monetary consideration by the participant and set
12 in advance by a fantasy contest operator granting the
13 participant the right to participate in a fantasy contest.

14 "Fantasy contest" means an online contest of skill between
15 2 or more participants with an entry fee where:

16 (1) the values of all prizes offered to a winning
17 participant are established and made known to the
18 participant in advance of the contest;

19 (2) all winning outcomes reflect the relative
20 knowledge and skill of the participant;

21 (3) the participant assembles, owns, or manages a
22 fictional entry or roster of actual professional or
23 amateur athletes, in real-world sports events, or other
24 event or competition of relative skill authorized by the
25 Board;

26 (4) a participant competes for prizes awarded by a

1 fantasy contest operator based on terms and conditions
2 published by the fantasy contest operator and made known
3 to the participant in advance of the contest;

4 (5) winning outcomes are determined solely by clearly
5 preestablished, objective scoring criteria based on one or
6 more statistical results of the performance of an
7 individual athlete, including, but not limited to, a
8 fantasy score; and

9 (6) no winning outcome is entirely based on the score,
10 point spread, or any performance of any single actual team
11 or combination of teams or solely on any single
12 performance of an individual athlete or player in any
13 single actual event.

14 "Fantasy contest" does not include pool sports wagering
15 conducted in accordance with subsection (i) of Section 25-25
16 of the Sports Wagering Act, single-participant contests played
17 against a fantasy contest operator, or contests without an
18 entry fee.

19 "Fantasy contest operator" means a person or entity that
20 offers fantasy contests to members of the public. "Fantasy
21 contest operator" does not include an Internet service
22 provider or a provider of mobile data services merely as a
23 result of that entity's transporting general traffic that may
24 include a fantasy contest.

25 "Large fantasy contest operator" means a fantasy contest
26 operator that had more than 7,500 patrons over the preceding

1 365-day period.

2 "Participant" means an individual who participates in a
3 fantasy contest offered by a fantasy contest operator.

4 "Small fantasy contest operator" means a fantasy contest
5 operator that had 7,500 or fewer patrons over the preceding
6 365-day period.

7 (230 ILCS 45/25-120.2 new)

8 Sec. 25-120.2. Board powers.

9 (a) The Board may regulate the conduct of fantasy contest
10 operators under this Act.

11 (b) The Board shall adopt any rules the Board considers
12 necessary for the successful implementation, administration,
13 and enforcement of this Act. Rules proposed by the Board may be
14 adopted as emergency rules under Section 5-45 of the Illinois
15 Administrative Procedure Act.

16 (c) The Board shall levy and collect all fees, surcharges,
17 civil penalties, and, on adjusted gross fantasy contest
18 receipts imposed under this Act, monthly taxes as follows:

19 (1) All application, licensing, and renewal fees
20 collected under this Act shall be deposited in the State
21 Gaming Fund.

22 (2) All taxes collected under Section 25-120.6 shall
23 be deposited into the State Gaming Fund.

24 (3) All civil penalties or fines levied under this
25 Section shall be deposited in accordance with the Illinois

1 Gambling Act.

2 (d) The Board may exercise any other powers necessary to
3 enforce the provisions of this Act that it regulates and the
4 rules of the Board.

5 (e) The Board and fantasy contest operator licensees may
6 cooperate with investigations conducted by law enforcement
7 agencies, including, but not limited to, providing and
8 facilitating the provision of account-level entry and
9 participation information.

10 (230 ILCS 45/25-120.3 new)

11 Sec. 25-120.3. Licensure required.

12 (a) Except as otherwise provided in this Section, a person
13 may not offer fantasy contests in this State unless the person
14 is licensed by the Board as a fantasy contest operator. No
15 party other than an owner or key person of a licensee may
16 receive revenue share from the operation of fantasy contests
17 without holding a fantasy contest operator license. A person
18 that knowingly offers fantasy contests in violation of this
19 subsection is guilty of a Class 4 felony.

20 (b) A fantasy contest operator that was offering contests
21 to persons located in the State before the effective date of
22 this amendatory Act of the 104th General Assembly may continue
23 to offer contests to persons located in the State until 90 days
24 after the effective date of rules implementing this amendatory
25 Act of the 104th General Assembly. The Board shall issue a

1 temporary operating permit to a fantasy contest operator that
2 was offering contests to persons located in this State before
3 the effective date of this amendatory Act of the 104th General
4 Assembly if the fantasy contest operator files an application
5 for licensure with the Board and pays the required license
6 application fee within 90 days of the effective date of rules
7 implementing this amendatory Act of the 104th General
8 Assembly, subject to Board rules. A holder of a temporary
9 operating permit may continue to offer fantasy sports contests
10 until a final licensing decision is made by the Board.

11 (c) The burden is upon each applicant to demonstrate the
12 applicant's suitability for licensure. An applicant for a
13 license issued under this Act shall submit an application to
14 the Board in the form the Board requires. Each person seeking
15 licensure shall submit to a background investigation conducted
16 by the Board with the assistance of the Illinois State Police
17 or other law enforcement.

18 (1) To the extent that the corporate structure of the
19 applicant allows, the background investigation shall
20 include any or all of the following as the Board deems
21 appropriate or as provided by rule for each category of
22 licensure:

23 (A) each beneficiary of a trust;

24 (B) each partner of a partnership;

25 (C) each member of a limited liability company;

26 (D) each director and officer of a publicly or

1 nonpublicly held corporation;

2 (E) each stockholder of a nonpublicly held
3 corporation;

4 (F) each stockholder of 5% or more of a publicly
5 held corporation; or

6 (G) each stockholder of 5% or more in a parent or
7 subsidiary corporation.

8 (2) Each applicant shall disclose the identity of
9 every person, association, trust, corporation, or limited
10 liability company having a greater than 1% direct or
11 indirect pecuniary interest in the fantasy contest for
12 which the license is sought. If the disclosed entity is a
13 trust, the application shall disclose the names and
14 addresses of the beneficiaries; if a corporation, the
15 names and addresses of all stockholders and directors; if
16 a limited liability company, the names and addresses of
17 all members; or if a partnership, the names and addresses
18 of all partners, both general and limited.

19 (d) To be eligible for a fantasy contest operator license
20 under this Section, an applicant and its key persons must at
21 minimum:

22 (1) be at least 21 years of age;

23 (2) not have been convicted of a felony offense or a
24 violation of Article 28 of the Criminal Code of 1961 or the
25 Criminal Code of 2012 or a similar statute of any other
26 jurisdiction;

1 (3) not have been convicted of a crime involving
2 dishonesty or moral turpitude;

3 (4) have demonstrated a level of skill or knowledge
4 that the Board determines to be necessary in order to
5 operate fantasy contests; and

6 (5) have met standards for the holding of a license as
7 adopted by rules of the Board.

8 (e) No person may be licensed if that person has been found
9 by the Board to:

10 (1) have a background, including a criminal record,
11 reputation, habits, social or business associations, or
12 prior activities that pose a threat to the public
13 interests of the State or to the security and integrity of
14 fantasy contest operations;

15 (2) create or enhance the dangers of unsuitable,
16 unfair, or illegal practices, methods, and activities in
17 the conduct of fantasy contest operations; or

18 (3) present questionable business practices and
19 financial arrangements incidental to the conduct of
20 fantasy contest operations.

21 (f) An applicant shall not be denied licensure on the
22 basis of having previously offered or conducted single-player
23 contests against the operator, so long as no such contests
24 were offered by the applicant after the effective date of this
25 amendatory Act of the 104th General Assembly.

26 (g) On receipt of a completed application and the required

1 fee, the Board shall conduct the necessary background
2 investigation to determine if the applicant meets the
3 qualifications for licensure. On completion of the necessary
4 background investigation, the Board shall either issue a
5 license or deny the application. The Board shall establish
6 procedures to conduct hearings for any person denied
7 licensure.

8 (h) The Board has designated 2 categories of fantasy
9 contest operator, a large fantasy contest operator and a small
10 fantasy contest operator. A small fantasy contest operator
11 shall pay an application and initial license fee of \$500 at the
12 time of application. A large fantasy contest operator shall
13 pay an application and initial license fee of \$7,500 at the
14 time of application.

15 (i) The term of an initial license shall be 2 years.

16 (j) A large fantasy contest operator shall pay a fantasy
17 contest operator license renewal fee of \$5,000 within 30 days
18 of the renewal of a license. A small fantasy contest operator
19 shall pay a fantasy contest operator license renewal fee of
20 \$300 within 30 days of the renewal of a license. The license
21 shall be renewed every 2 years.

22 (230 ILCS 45/25-120.4 new)

23 Sec. 25-120.4. Conduct of contests.

24 (a) Any fantasy contest conducted under this Act does not
25 constitute gambling for any purpose, including under Article

1 28 of the Criminal Code of 1961 or the Criminal Code of 2012.

2 (b) A person participating in a fantasy contest under this
3 Act shall be at least 21 years of age.

4 (c) A licensee under this Act may only accept an entry from
5 a person physically located in the State. A fantasy contest
6 operator must use a geolocation system to ensure that a
7 participant is physically present in the State when
8 participating in the fantasy contest unless otherwise
9 authorized by the Board.

10 (e) No athlete, competitor, referee, official, coach,
11 manager, medical professional, or athletic trainer or employee
12 or contractor of a team or athletic organization who has
13 access to nonpublic information concerning an athlete or team
14 may engage in fantasy contests involving an event or the
15 performance of an individual in an event in which the person is
16 participating or otherwise has access to nonpublic or
17 exclusive information.

18 (f) No key person or employee of a fantasy contest
19 operator licensee may participate in fantasy contests offered
20 by licensee.

21 (230 ILCS 45/25-120.5 new)

22 Sec. 25-120.5. Duties of licensees.

23 (a) Licensees shall comply with all applicable anti-money
24 laundering standards.

25 (b) Licensees have an affirmative duty to prevent underage

1 participation in fantasy contents. Licensees shall establish
2 technical and operational measures to prevent underage
3 participation in a fantasy contest.

4 (c) Licensees shall implement identity verification
5 procedures, consistent with modern best practices, to verify
6 an individual's personally identifiable information and can
7 detect potential prohibited participants.

8 (d) Licensees shall employ mechanisms on the operator's
9 platform that are designed to detect and prevent unauthorized
10 accounts and to detect and prevent fraud, money laundering,
11 and collusion.

12 (e) Licensees shall implement geolocation technology to
13 verify that a participant is not accessing the platform from a
14 restricted jurisdiction.

15 (f) Licensees shall make all reasonable efforts to
16 promptly notify the Board of any information relating to:

17 (1) a confirmed breach of the relevant sport's
18 governing body's internal rules and codes of conduct
19 pertaining to participation in real-money fantasy
20 contests;

21 (2) any conduct that corrupts any outcome related to a
22 sports event or sports events for purposes of financial
23 gain, including match fixing; and

24 (3) suspected illegal activities, including use of
25 funds derived from illegal activity, entries to conceal or
26 launder funds derived from illegal activity,

1 multi-accounting, and using false identification.

2 (230 ILCS 45/25-120.6 new)

3 Sec. 25-120.6. Audits and recordkeeping.

4 (a) Licensees shall contract with a certified public
5 accountant to conduct an annual independent audit consistent
6 with generally accepted accounting principles and any
7 additional standards adopted by the Board.

8 (b) A licensee's fantasy contest platform must be tested
9 and certified by an independent outside testing laboratory
10 approved by the Board prior to commencement of fantasy
11 contests under this Act. The licensee shall have the fantasy
12 contest platform re-tested and certified on an annual basis.

13 (c) Each licensee shall maintain in a place, secure from
14 theft, loss, or destruction, adequate records of business
15 operations that shall be made available to the Board upon
16 request. These records shall be held for at least as long as
17 prescribed by the records retention schedule published by the
18 Board, or longer if otherwise prescribed by general accounting
19 and auditing procedures, litigation needs, or State or federal
20 law. These records shall be maintained in a manner accessible
21 to the Board or in a digital format prescribed by the Board.

22 (230 ILCS 45/25-120.7 new)

23 Sec. 25-120.7. Tax. Beginning on July 1, 2026, and for
24 each 12-month period thereafter, for the privilege of holding

1 a license to operate fantasy contests under this Act, this
2 State shall impose a privilege tax of 15% on the fantasy
3 contest operator licensee's adjusted gross fantasy contest
4 receipts.

5 (230 ILCS 45/25-120.8 new)

6 Sec. 25-120.8. Responsible gaming.

7 (a) Each fantasy contest operator shall include a
8 statement regarding obtaining assistance with gambling
9 problems, the text of which shall be determined by rule by the
10 Department of Human Services, on the licensee's portal,
11 Internet website, or computer or mobile application.

12 (b) Any resident, or nonresident if allowed to participate
13 in fantasy contests, may voluntarily prohibit themselves from
14 establishing an account with a licensee under this Act. The
15 Board shall incorporate the voluntary self-exclusion program
16 for fantasy contests into any existing self-exclusion program
17 that it operates on the effective date of this amendatory Act
18 of the 104th General Assembly.

19 Section 140-15. The Criminal Code of 2012 is amended by
20 changing Section 28-1 and 28-8 as follows:

21 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

22 Sec. 28-1. Gambling.

23 (a) A person commits gambling when he or she:

1 (1) knowingly plays a game of chance or skill for
2 money or other thing of value, unless excepted in
3 subsection (b) of this Section;

4 (2) knowingly makes a wager upon the result of any
5 game, contest, or any political nomination, appointment or
6 election;

7 (3) knowingly operates, keeps, owns, uses, purchases,
8 exhibits, rents, sells, bargains for the sale or lease of,
9 manufactures or distributes any gambling device;

10 (4) contracts to have or give himself or herself or
11 another the option to buy or sell, or contracts to buy or
12 sell, at a future time, any grain or other commodity
13 whatsoever, or any stock or security of any company, where
14 it is at the time of making such contract intended by both
15 parties thereto that the contract to buy or sell, or the
16 option, whenever exercised, or the contract resulting
17 therefrom, shall be settled, not by the receipt or
18 delivery of such property, but by the payment only of
19 differences in prices thereof; however, the issuance,
20 purchase, sale, exercise, endorsement or guarantee, by or
21 through a person registered with the Secretary of State
22 pursuant to Section 8 of the Illinois Securities Law of
23 1953, or by or through a person exempt from such
24 registration under said Section 8, of a put, call, or
25 other option to buy or sell securities which have been
26 registered with the Secretary of State or which are exempt

1 from such registration under Section 3 of the Illinois
2 Securities Law of 1953 is not gambling within the meaning
3 of this paragraph (4);

4 (5) knowingly owns or possesses any book, instrument
5 or apparatus by means of which bets or wagers have been, or
6 are, recorded or registered, or knowingly possesses any
7 money which he has received in the course of a bet or
8 wager;

9 (6) knowingly sells pools upon the result of any game
10 or contest of skill or chance, political nomination,
11 appointment or election;

12 (7) knowingly sets up or promotes any lottery or
13 sells, offers to sell or transfers any ticket or share for
14 any lottery;

15 (8) knowingly sets up or promotes any policy game or
16 sells, offers to sell or knowingly possesses or transfers
17 any policy ticket, slip, record, document or other similar
18 device;

19 (9) knowingly drafts, prints or publishes any lottery
20 ticket or share, or any policy ticket, slip, record,
21 document or similar device, except for such activity
22 related to lotteries, bingo games and raffles authorized
23 by and conducted in accordance with the laws of Illinois
24 or any other state or foreign government;

25 (10) knowingly advertises any lottery or policy game,
26 except for such activity related to lotteries, bingo games

1 and raffles authorized by and conducted in accordance with
2 the laws of Illinois or any other state;

3 (11) knowingly transmits information as to wagers,
4 betting odds, or changes in betting odds by telephone,
5 telegraph, radio, semaphore or similar means; or knowingly
6 installs or maintains equipment for the transmission or
7 receipt of such information; except that nothing in this
8 subdivision (11) prohibits transmission or receipt of such
9 information for use in news reporting of sporting events
10 or contests; or

11 (12) knowingly establishes, maintains, or operates an
12 Internet site that permits a person to play a game of
13 chance or skill for money or other thing of value by means
14 of the Internet or to make a wager upon the result of any
15 game, contest, political nomination, appointment, or
16 election by means of the Internet. This item (12) does not
17 apply to activities referenced in items (6), (6.1), (8),
18 (8.1), and (15) of subsection (b) of this Section.

19 (b) Participants in any of the following activities shall
20 not be convicted of gambling:

21 (1) Agreements to compensate for loss caused by the
22 happening of chance including without limitation contracts
23 of indemnity or guaranty and life or health or accident
24 insurance.

25 (2) Offers of prizes, award or compensation to the
26 actual contestants in any bona fide contest for the

1 determination of skill, speed, strength or endurance or to
2 the owners of animals or vehicles entered in such contest.

3 (3) Pari-mutuel betting as authorized by the law of
4 this State.

5 (4) Manufacture of gambling devices, including the
6 acquisition of essential parts therefor and the assembly
7 thereof, for transportation in interstate or foreign
8 commerce to any place outside this State when such
9 transportation is not prohibited by any applicable Federal
10 law; or the manufacture, distribution, or possession of
11 video gaming terminals, as defined in the Video Gaming
12 Act, by manufacturers, distributors, and terminal
13 operators licensed to do so under the Video Gaming Act.

14 (5) The game commonly known as "bingo", when conducted
15 in accordance with the Bingo License and Tax Act.

16 (6) Lotteries when conducted by the State of Illinois
17 in accordance with the Illinois Lottery Law. This
18 exemption includes any activity conducted by the
19 Department of Revenue to sell lottery tickets pursuant to
20 the provisions of the Illinois Lottery Law and its rules.

21 (6.1) The purchase of lottery tickets through the
22 Internet for a lottery conducted by the State of Illinois
23 under the program established in Section 7.12 of the
24 Illinois Lottery Law.

25 (7) Possession of an antique slot machine that is
26 neither used nor intended to be used in the operation or

1 promotion of any unlawful gambling activity or enterprise.
2 For the purpose of this subparagraph (b)(7), an antique
3 slot machine is one manufactured 25 years ago or earlier.

4 (8) Raffles and poker runs when conducted in
5 accordance with the Raffles and Poker Runs Act.

6 (8.1) The purchase of raffle chances for a raffle
7 conducted in accordance with the Raffles and Poker Runs
8 Act.

9 (9) Charitable games when conducted in accordance with
10 the Charitable Games Act.

11 (10) Pull tabs and jar games when conducted under the
12 Illinois Pull Tabs and Jar Games Act.

13 (11) Gambling games when authorized by the Illinois
14 Gambling Act.

15 (12) Video gaming terminal games at a licensed
16 establishment, licensed truck stop establishment, licensed
17 large truck stop establishment, licensed fraternal
18 establishment, or licensed veterans establishment when
19 conducted in accordance with the Video Gaming Act.

20 (13) Games of skill or chance where money or other
21 things of value can be won but no payment or purchase is
22 required to participate.

23 (14) Savings promotion raffles authorized under
24 Section 5g of the Illinois Banking Act, Section 7008 of
25 the Savings Bank Act, Section 42.7 of the Illinois Credit
26 Union Act, Section 5136B of the National Bank Act (12

1 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12
2 U.S.C. 1463).

3 (15) Sports wagering when conducted in accordance with
4 the Sports Wagering Act.

5 (16) Fantasy contests conducted in accordance with
6 Sections 25-120 through 25-120.8 of the Sports Wagering
7 Act.

8 (c) Sentence.

9 Gambling is a Class A misdemeanor. A second or subsequent
10 conviction under subsections (a)(3) through (a)(12), is a
11 Class 4 felony.

12 (d) Circumstantial evidence.

13 In prosecutions under this Section circumstantial evidence
14 shall have the same validity and weight as in any criminal
15 prosecution.

16 (Source: P.A. 101-31, Article 25, Section 25-915, eff.
17 6-28-19; 101-31, Article 35, Section 35-80, eff. 6-28-19;
18 101-109, eff. 7-19-19; 102-558, eff. 8-20-21.)

19 (720 ILCS 5/28-8) (from Ch. 38, par. 28-8)

20 Sec. 28-8. Gambling losses recoverable.

21 (a) Any person who by gambling shall lose to any other
22 person, any sum of money or thing of value, amounting to the
23 sum of \$50 or more and shall pay or deliver the same or any
24 part thereof, may sue for and recover the money or other thing
25 of value, so lost and paid or delivered, in a civil action

1 against the winner thereof, with costs, in the circuit court.
2 No person who accepts from another person for transmission,
3 and transmits, either in his own name or in the name of such
4 other person, any order for any transaction to be made upon, or
5 who executes any order given to him by another person, or who
6 executes any transaction for his own account on, any regular
7 board of trade or commercial, commodity or stock exchange,
8 shall, under any circumstances, be deemed a "winner" of any
9 moneys lost by such other person in or through any such
10 transactions.

11 (b) If within 6 months, such person who under the terms of
12 Subsection 28-8(a) is entitled to initiate action to recover
13 his losses does not in fact pursue his remedy, any person may
14 initiate a civil action against the winner. The court or the
15 jury, as the case may be, shall determine the amount of the
16 loss. After such determination, the court shall enter a
17 judgment of triple the amount so determined.

18 (c) Gambling losses as a result of gambling conducted on a
19 video gaming terminal licensed under the Video Gaming Act are
20 not recoverable under this Section.

21 (d) Losses as a result of participation in single-player
22 fantasy contests against a fantasy contest operator prior to
23 the effective date of this amendatory Act of the 104th General
24 Assembly are not recoverable under this Section.

25 (e) Losses as a result of participation in fantasy
26 contests conducted under Sections 25-120 through 25-120.8 of

1 the Sports Wagering Act are not recoverable under this
2 Section.

3 (Source: P.A. 98-31, eff. 6-24-13.)

4 ARTICLE 150

5 Section 150-5. The Illinois Lottery Law is amended by
6 changing Section 9.1 as follows:

7 (20 ILCS 1605/9.1)

8 Sec. 9.1. Private manager and management agreement.

9 (a) As used in this Section:

10 "Offeror" means a person or group of persons that responds
11 to a request for qualifications under this Section.

12 "Request for qualifications" means all materials and
13 documents prepared by the Department to solicit the following
14 from offerors:

15 (1) Statements of qualifications.

16 (2) Proposals to enter into a management agreement,
17 including the identity of any prospective vendor or
18 vendors that the offeror intends to initially engage to
19 assist the offeror in performing its obligations under the
20 management agreement.

21 "Final offer" means the last proposal submitted by an
22 offeror in response to the request for qualifications,
23 including the identity of any prospective vendor or vendors

1 that the offeror intends to initially engage to assist the
2 offeror in performing its obligations under the management
3 agreement.

4 "Final offeror" means the offeror ultimately selected by
5 the Governor to be the private manager for the Lottery under
6 subsection (h) of this Section.

7 (b) By September 15, 2010, the Governor shall select a
8 private manager for the total management of the Lottery with
9 integrated functions, such as lottery game design, supply of
10 goods and services, and advertising and as specified in this
11 Section.

12 (c) Pursuant to the terms of this subsection, the
13 Department shall endeavor to expeditiously terminate the
14 existing contracts in support of the Lottery in effect on July
15 13, 2009 (the effective date of Public Act 96-37) in
16 connection with the selection of the private manager. As part
17 of its obligation to terminate these contracts and select the
18 private manager, the Department shall establish a mutually
19 agreeable timetable to transfer the functions of existing
20 contractors to the private manager so that existing Lottery
21 operations are not materially diminished or impaired during
22 the transition. To that end, the Department shall do the
23 following:

24 (1) where such contracts contain a provision
25 authorizing termination upon notice, the Department shall
26 provide notice of termination to occur upon the mutually

1 agreed timetable for transfer of functions;

2 (2) upon the expiration of any initial term or renewal
3 term of the current Lottery contracts, the Department
4 shall not renew such contract for a term extending beyond
5 the mutually agreed timetable for transfer of functions;
6 or

7 (3) in the event any current contract provides for
8 termination of that contract upon the implementation of a
9 contract with the private manager, the Department shall
10 perform all necessary actions to terminate the contract on
11 the date that coincides with the mutually agreed timetable
12 for transfer of functions.

13 If the contracts to support the current operation of the
14 Lottery in effect on July 13, 2009 (the effective date of
15 Public Act 96-34) are not subject to termination as provided
16 for in this subsection (c), then the Department may include a
17 provision in the contract with the private manager specifying
18 a mutually agreeable methodology for incorporation.

19 (c-5) The Department shall include provisions in the
20 management agreement whereby the private manager shall, for a
21 fee, and pursuant to a contract negotiated with the Department
22 (the "Employee Use Contract"), utilize the services of current
23 Department employees to assist in the administration and
24 operation of the Lottery. The Department shall be the employer
25 of all such bargaining unit employees assigned to perform such
26 work for the private manager, and such employees shall be

1 State employees, as defined by the Personnel Code. Department
2 employees shall operate under the same employment policies,
3 rules, regulations, and procedures, as other employees of the
4 Department. In addition, neither historical representation
5 rights under the Illinois Public Labor Relations Act, nor
6 existing collective bargaining agreements, shall be disturbed
7 by the management agreement with the private manager for the
8 management of the Lottery.

9 (d) The management agreement with the private manager
10 shall include all of the following:

11 (1) A term not to exceed 13 ~~10~~ years, including any
12 renewals.

13 (2) A provision specifying that the Department:

14 (A) shall exercise actual control over all
15 significant business decisions;

16 (A-5) has the authority to direct or countermand
17 operating decisions by the private manager at any
18 time;

19 (B) has ready access at any time to information
20 regarding Lottery operations;

21 (C) has the right to demand and receive
22 information from the private manager concerning any
23 aspect of the Lottery operations at any time; and

24 (D) retains ownership of all trade names,
25 trademarks, and intellectual property associated with
26 the Lottery.

1 (3) A provision imposing an affirmative duty on the
2 private manager to provide the Department with material
3 information and with any information the private manager
4 reasonably believes the Department would want to know to
5 enable the Department to conduct the Lottery.

6 (4) A provision requiring the private manager to
7 provide the Department with advance notice of any
8 operating decision that bears significantly on the public
9 interest, including, but not limited to, decisions on the
10 kinds of games to be offered to the public and decisions
11 affecting the relative risk and reward of the games being
12 offered, so the Department has a reasonable opportunity to
13 evaluate and countermand that decision.

14 (5) A provision providing for compensation of the
15 private manager that may consist of, among other things, a
16 fee for services and a performance based bonus as
17 consideration for managing the Lottery, including terms
18 that may provide the private manager with an increase in
19 compensation if Lottery revenues grow by a specified
20 percentage in a given year.

21 (6) (Blank).

22 (7) A provision requiring the deposit of all Lottery
23 proceeds to be deposited into the State Lottery Fund
24 except as otherwise provided in Section 20 of this Act.

25 (8) A provision requiring the private manager to
26 locate its principal office within the State.

1 (8-5) A provision encouraging that at least 20% of the
2 cost of contracts entered into for goods and services by
3 the private manager in connection with its management of
4 the Lottery, other than contracts with sales agents or
5 technical advisors, be awarded to businesses that are a
6 minority-owned business, a women-owned business, or a
7 business owned by a person with disability, as those terms
8 are defined in the Business Enterprise for Minorities,
9 Women, and Persons with Disabilities Act.

10 (9) A requirement that so long as the private manager
11 complies with all the conditions of the agreement under
12 the oversight of the Department, the private manager shall
13 have the following duties and obligations with respect to
14 the management of the Lottery:

15 (A) The right to use equipment and other assets
16 used in the operation of the Lottery.

17 (B) The rights and obligations under contracts
18 with retailers and vendors.

19 (C) The implementation of a comprehensive security
20 program by the private manager.

21 (D) The implementation of a comprehensive system
22 of internal audits.

23 (E) The implementation of a program by the private
24 manager to curb compulsive gambling by persons playing
25 the Lottery.

26 (F) A system for determining (i) the type of

1 Lottery games, (ii) the method of selecting winning
2 tickets, (iii) the manner of payment of prizes to
3 holders of winning tickets, (iv) the frequency of
4 drawings of winning tickets, (v) the method to be used
5 in selling tickets, (vi) a system for verifying the
6 validity of tickets claimed to be winning tickets,
7 (vii) the basis upon which retailer commissions are
8 established by the manager, and (viii) minimum
9 payouts.

10 (10) A requirement that advertising and promotion must
11 be consistent with Section 7.8a of this Act.

12 (11) A requirement that the private manager market the
13 Lottery to those residents who are new, infrequent, or
14 lapsed players of the Lottery, especially those who are
15 most likely to make regular purchases on the Internet as
16 permitted by law.

17 (12) A code of ethics for the private manager's
18 officers and employees.

19 (13) A requirement that the Department monitor and
20 oversee the private manager's practices and take action
21 that the Department considers appropriate to ensure that
22 the private manager is in compliance with the terms of the
23 management agreement, while allowing the manager, unless
24 specifically prohibited by law or the management
25 agreement, to negotiate and sign its own contracts with
26 vendors.

1 (14) A provision requiring the private manager to
2 periodically file, at least on an annual basis,
3 appropriate financial statements in a form and manner
4 acceptable to the Department.

5 (15) Cash reserves requirements.

6 (16) Procedural requirements for obtaining the prior
7 approval of the Department when a management agreement or
8 an interest in a management agreement is sold, assigned,
9 transferred, or pledged as collateral to secure financing.

10 (17) Grounds for the termination of the management
11 agreement by the Department or the private manager.

12 (18) Procedures for amendment of the agreement.

13 (19) A provision requiring the private manager to
14 engage in an open and competitive bidding process for any
15 procurement having a cost in excess of \$50,000 that is not
16 a part of the private manager's final offer. The process
17 shall favor the selection of a vendor deemed to have
18 submitted a proposal that provides the Lottery with the
19 best overall value. The process shall not be subject to
20 the provisions of the Illinois Procurement Code, unless
21 specifically required by the management agreement.

22 (20) The transition of rights and obligations,
23 including any associated equipment or other assets used in
24 the operation of the Lottery, from the manager to any
25 successor manager of the lottery, including the
26 Department, following the termination of or foreclosure

1 upon the management agreement.

2 (21) Right of use of copyrights, trademarks, and
3 service marks held by the Department in the name of the
4 State. The agreement must provide that any use of them by
5 the manager shall only be for the purpose of fulfilling
6 its obligations under the management agreement during the
7 term of the agreement.

8 (22) The disclosure of any information requested by
9 the Department to enable it to comply with the reporting
10 requirements and information requests provided for under
11 subsection (p) of this Section.

12 (e) Notwithstanding any other law to the contrary, the
13 Department shall select a private manager through a
14 competitive request for qualifications process consistent with
15 Section 20-35 of the Illinois Procurement Code, which shall
16 take into account:

17 (1) the offeror's ability to market the Lottery to
18 those residents who are new, infrequent, or lapsed players
19 of the Lottery, especially those who are most likely to
20 make regular purchases on the Internet;

21 (2) the offeror's ability to address the State's
22 concern with the social effects of gambling on those who
23 can least afford to do so;

24 (3) the offeror's ability to provide the most
25 successful management of the Lottery for the benefit of
26 the people of the State based on current and past business

1 practices or plans of the offeror; and

2 (4) the offeror's poor or inadequate past performance
3 in servicing, equipping, operating or managing a lottery
4 on behalf of Illinois, another State or foreign government
5 and attracting persons who are not currently regular
6 players of a lottery.

7 (f) The Department may retain the services of an advisor
8 or advisors with significant experience in financial services
9 or the management, operation, and procurement of goods,
10 services, and equipment for a government-run lottery to assist
11 in the preparation of the terms of the request for
12 qualifications and selection of the private manager. Any
13 prospective advisor seeking to provide services under this
14 subsection (f) shall disclose any material business or
15 financial relationship during the past 3 years with any
16 potential offeror, or with a contractor or subcontractor
17 presently providing goods, services, or equipment to the
18 Department to support the Lottery. The Department shall
19 evaluate the material business or financial relationship of
20 each prospective advisor. The Department shall not select any
21 prospective advisor with a substantial business or financial
22 relationship that the Department deems to impair the
23 objectivity of the services to be provided by the prospective
24 advisor. During the course of the advisor's engagement by the
25 Department, and for a period of one year thereafter, the
26 advisor shall not enter into any business or financial

1 relationship with any offeror or any vendor identified to
2 assist an offeror in performing its obligations under the
3 management agreement. Any advisor retained by the Department
4 shall be disqualified from being an offeror. The Department
5 shall not include terms in the request for qualifications that
6 provide a material advantage whether directly or indirectly to
7 any potential offeror, or any contractor or subcontractor
8 presently providing goods, services, or equipment to the
9 Department to support the Lottery, including terms contained
10 in previous responses to requests for proposals or
11 qualifications submitted to Illinois, another State or foreign
12 government when those terms are uniquely associated with a
13 particular potential offeror, contractor, or subcontractor.
14 The request for proposals offered by the Department on
15 December 22, 2008 as "LOT08GAMESYS" and reference number
16 "22016176" is declared void.

17 (g) The Department shall select at least 2 offerors as
18 finalists to potentially serve as the private manager no later
19 than August 9, 2010. Upon making preliminary selections, the
20 Department shall schedule a public hearing on the finalists'
21 proposals and provide public notice of the hearing at least 7
22 calendar days before the hearing. The notice must include all
23 of the following:

24 (1) The date, time, and place of the hearing.

25 (2) The subject matter of the hearing.

26 (3) A brief description of the management agreement to

1 be awarded.

2 (4) The identity of the offerors that have been
3 selected as finalists to serve as the private manager.

4 (5) The address and telephone number of the
5 Department.

6 (h) At the public hearing, the Department shall (i)
7 provide sufficient time for each finalist to present and
8 explain its proposal to the Department and the Governor or the
9 Governor's designee, including an opportunity to respond to
10 questions posed by the Department, Governor, or designee and
11 (ii) allow the public and non-selected offerors to comment on
12 the presentations. The Governor or a designee shall attend the
13 public hearing. After the public hearing, the Department shall
14 have 14 calendar days to recommend to the Governor whether a
15 management agreement should be entered into with a particular
16 finalist. After reviewing the Department's recommendation, the
17 Governor may accept or reject the Department's recommendation,
18 and shall select a final offeror as the private manager by
19 publication of a notice in the Illinois Procurement Bulletin
20 on or before September 15, 2010. The Governor shall include in
21 the notice a detailed explanation and the reasons why the
22 final offeror is superior to other offerors and will provide
23 management services in a manner that best achieves the
24 objectives of this Section. The Governor shall also sign the
25 management agreement with the private manager.

26 (i) Any action to contest the private manager selected by

1 the Governor under this Section must be brought within 7
2 calendar days after the publication of the notice of the
3 designation of the private manager as provided in subsection
4 (h) of this Section.

5 (j) The Lottery shall remain, for so long as a private
6 manager manages the Lottery in accordance with provisions of
7 this Act, a Lottery conducted by the State, and the State shall
8 not be authorized to sell or transfer the Lottery to a third
9 party.

10 (k) Any tangible personal property used exclusively in
11 connection with the lottery that is owned by the Department
12 and leased to the private manager shall be owned by the
13 Department in the name of the State and shall be considered to
14 be public property devoted to an essential public and
15 governmental function.

16 (l) The Department may exercise any of its powers under
17 this Section or any other law as necessary or desirable for the
18 execution of the Department's powers under this Section.

19 (m) Neither this Section nor any management agreement
20 entered into under this Section prohibits the General Assembly
21 from authorizing forms of gambling that are not in direct
22 competition with the Lottery. The forms of gambling authorized
23 by Public Act 101-31 constitute authorized forms of gambling
24 that are not in direct competition with the Lottery.

25 (n) The private manager shall be subject to a complete
26 investigation in the third, seventh, and tenth years of the

1 agreement (if the agreement is for a 10-year term) by the
2 Department in cooperation with the Auditor General to
3 determine whether the private manager has complied with this
4 Section and the management agreement. The private manager
5 shall bear the cost of an investigation or reinvestigation of
6 the private manager under this subsection.

7 (o) The powers conferred by this Section are in addition
8 and supplemental to the powers conferred by any other law. If
9 any other law or rule is inconsistent with this Section,
10 including, but not limited to, provisions of the Illinois
11 Procurement Code, then this Section controls as to any
12 management agreement entered into under this Section. This
13 Section and any rules adopted under this Section contain full
14 and complete authority for a management agreement between the
15 Department and a private manager. No law, procedure,
16 proceeding, publication, notice, consent, approval, order, or
17 act by the Department or any other officer, Department,
18 agency, or instrumentality of the State or any political
19 subdivision is required for the Department to enter into a
20 management agreement under this Section. This Section contains
21 full and complete authority for the Department to approve any
22 contracts entered into by a private manager with a vendor
23 providing goods, services, or both goods and services to the
24 private manager under the terms of the management agreement,
25 including subcontractors of such vendors.

26 Upon receipt of a written request from the Chief

1 Procurement Officer, the Department shall provide to the Chief
2 Procurement Officer a complete and un-redacted copy of the
3 management agreement or any contract that is subject to the
4 Department's approval authority under this subsection (o). The
5 Department shall provide a copy of the agreement or contract
6 to the Chief Procurement Officer in the time specified by the
7 Chief Procurement Officer in his or her written request, but
8 no later than 5 business days after the request is received by
9 the Department. The Chief Procurement Officer must retain any
10 portions of the management agreement or of any contract
11 designated by the Department as confidential, proprietary, or
12 trade secret information in complete confidence pursuant to
13 subsection (g) of Section 7 of the Freedom of Information Act.
14 The Department shall also provide the Chief Procurement
15 Officer with reasonable advance written notice of any contract
16 that is pending Department approval.

17 Notwithstanding any other provision of this Section to the
18 contrary, the Chief Procurement Officer shall adopt
19 administrative rules, including emergency rules, to establish
20 a procurement process to select a successor private manager if
21 a private management agreement has been terminated. The
22 selection process shall at a minimum take into account the
23 criteria set forth in items (1) through (4) of subsection (e)
24 of this Section and may include provisions consistent with
25 subsections (f), (g), (h), and (i) of this Section. The Chief
26 Procurement Officer shall also implement and administer the

1 adopted selection process upon the termination of a private
2 management agreement. The Department, after the Chief
3 Procurement Officer certifies that the procurement process has
4 been followed in accordance with the rules adopted under this
5 subsection (o), shall select a final offeror as the private
6 manager and sign the management agreement with the private
7 manager.

8 Through June 30, 2022, except as provided in Sections
9 21.5, 21.6, 21.7, 21.8, 21.9, 21.10, 21.11, 21.12, and 21.13
10 of this Act and Section 25-70 of the Sports Wagering Act, the
11 Department shall distribute all proceeds of lottery tickets
12 and shares sold in the following priority and manner:

13 (1) The payment of prizes and retailer bonuses.

14 (2) The payment of costs incurred in the operation and
15 administration of the Lottery, including the payment of
16 sums due to the private manager under the management
17 agreement with the Department.

18 (3) On the last day of each month or as soon thereafter
19 as possible, the State Comptroller shall direct and the
20 State Treasurer shall transfer from the State Lottery Fund
21 to the Common School Fund an amount that is equal to the
22 proceeds transferred in the corresponding month of fiscal
23 year 2009, as adjusted for inflation, to the Common School
24 Fund.

25 (4) On or before September 30 of each fiscal year,
26 deposit any estimated remaining proceeds from the prior

1 fiscal year, subject to payments under items (1), (2), and
2 (3), into the Capital Projects Fund. Beginning in fiscal
3 year 2019, the amount deposited shall be increased or
4 decreased each year by the amount the estimated payment
5 differs from the amount determined from each year-end
6 financial audit. Only remaining net deficits from prior
7 fiscal years may reduce the requirement to deposit these
8 funds, as determined by the annual financial audit.

9 Beginning July 1, 2022, the Department shall distribute
10 all proceeds of lottery tickets and shares sold in the manner
11 and priority described in Section 9.3 of this Act, except that
12 the Department shall make the deposit into the Capital
13 Projects Fund that would have occurred under item (4) of this
14 subsection (o) on or before September 30, 2022, but for the
15 changes made to this subsection by Public Act 102-699.

16 (p) The Department shall be subject to the following
17 reporting and information request requirements:

18 (1) the Department shall submit written quarterly
19 reports to the Governor and the General Assembly on the
20 activities and actions of the private manager selected
21 under this Section;

22 (2) upon request of the Chief Procurement Officer, the
23 Department shall promptly produce information related to
24 the procurement activities of the Department and the
25 private manager requested by the Chief Procurement
26 Officer; the Chief Procurement Officer must retain

1 confidential, proprietary, or trade secret information
2 designated by the Department in complete confidence
3 pursuant to subsection (g) of Section 7 of the Freedom of
4 Information Act; and

5 (3) at least 30 days prior to the beginning of the
6 Department's fiscal year, the Department shall prepare an
7 annual written report on the activities of the private
8 manager selected under this Section and deliver that
9 report to the Governor and General Assembly.

10 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
11 101-561, eff. 8-23-19; 102-558, eff. 8-20-21; 102-699, eff.
12 4-19-22; 102-1115, eff. 1-9-23.)

13 ARTICLE 155

14 Section 155-5. The Retailers' Occupation Tax Act is
15 amended by changing Section 3 as follows:

16 (35 ILCS 120/3)

17 (Text of Section before amendment by P.A. 104-457)

18 Sec. 3. Except as provided in this Section, on or before
19 the twentieth day of each calendar month, every person engaged
20 in the business of selling, which, on and after January 1,
21 2025, includes leasing, tangible personal property at retail
22 in this State during the preceding calendar month shall file a
23 return with the Department, stating:

1 1. The name of the seller;

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

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

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

17 5. Deductions allowed by law;

18 6. Gross receipts which were received by him during
19 the preceding calendar month or quarter and upon the basis
20 of which the tax is imposed, including gross receipts on
21 food for human consumption that is to be consumed off the
22 premises where it is sold (other than alcoholic beverages,
23 food consisting of or infused with adult use cannabis,
24 soft drinks, and food that has been prepared for immediate
25 consumption) which were received during the preceding
26 calendar month or quarter and upon which tax would have

1 been due but for the 0% rate imposed under Public Act
2 102-700;

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

5 8. The amount of tax due, including the amount of tax
6 that would have been due on food for human consumption
7 that is to be consumed off the premises where it is sold
8 (other than alcoholic beverages, food consisting of or
9 infused with adult use cannabis, soft drinks, and food
10 that has been prepared for immediate consumption) but for
11 the 0% rate imposed under Public Act 102-700;

12 9. The signature of the taxpayer; and

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

15 In the case of leases, except as otherwise provided in
16 this Act, the lessor must remit for each tax return period only
17 the tax applicable to that part of the selling price actually
18 received during such tax return period.

19 On and after January 1, 2018, except for returns required
20 to be filed prior to January 1, 2023 for motor vehicles,
21 watercraft, aircraft, and trailers that are required to be
22 registered with an agency of this State, with respect to
23 retailers whose annual gross receipts average \$20,000 or more,
24 all returns required to be filed pursuant to this Act shall be
25 filed electronically. On and after January 1, 2023, with
26 respect to retailers whose annual gross receipts average

1 \$20,000 or more, all returns required to be filed pursuant to
2 this Act, including, but not limited to, returns for motor
3 vehicles, watercraft, aircraft, and trailers that are required
4 to be registered with an agency of this State, shall be filed
5 electronically. Retailers who demonstrate that they do not
6 have access to the Internet or demonstrate hardship in filing
7 electronically may petition the Department to waive the
8 electronic filing requirement.

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

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

16 Prior to October 1, 2003 and on and after September 1,
17 2004, a retailer may accept a Manufacturer's Purchase Credit
18 certification from a purchaser in satisfaction of Use Tax as
19 provided in Section 3-85 of the Use Tax Act if the purchaser
20 provides the appropriate documentation as required by Section
21 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
22 certification, accepted by a retailer prior to October 1, 2003
23 and on and after September 1, 2004 as provided in Section 3-85
24 of the Use Tax Act, may be used by that retailer to satisfy
25 Retailers' Occupation Tax liability in the amount claimed in
26 the certification, not to exceed 6.25% of the receipts subject

1 to tax from a qualifying purchase. A Manufacturer's Purchase
2 Credit reported on any original or amended return filed under
3 this Act after October 20, 2003 for reporting periods prior to
4 September 1, 2004 shall be disallowed. Manufacturer's Purchase
5 Credit reported on annual returns due on or after January 1,
6 2005 will be disallowed for periods prior to September 1,
7 2004. No Manufacturer's Purchase Credit may be used after
8 September 30, 2003 through August 31, 2004 to satisfy any tax
9 liability imposed under this Act, including any audit
10 liability.

11 Beginning on July 1, 2023 and through December 31, 2032, a
12 retailer may accept a Sustainable Aviation Fuel Purchase
13 Credit certification from an air common carrier-purchaser in
14 satisfaction of Use Tax on aviation fuel as provided in
15 Section 3-87 of the Use Tax Act if the purchaser provides the
16 appropriate documentation as required by Section 3-87 of the
17 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
18 certification accepted by a retailer in accordance with this
19 paragraph may be used by that retailer to satisfy Retailers'
20 Occupation Tax liability (but not in satisfaction of penalty
21 or interest) in the amount claimed in the certification, not
22 to exceed 6.25% of the receipts subject to tax from a sale of
23 aviation fuel. In addition, for a sale of aviation fuel to
24 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
25 retailers must retain in their books and records a
26 certification from the producer of the aviation fuel that the

1 aviation fuel sold by the retailer and for which a sustainable
2 aviation fuel purchase credit was earned meets the definition
3 of sustainable aviation fuel under Section 3-87 of the Use Tax
4 Act. The documentation must include detail sufficient for the
5 Department to determine the number of gallons of sustainable
6 aviation fuel sold.

7 The Department may require returns to be filed on a
8 quarterly basis. If so required, a return for each calendar
9 quarter shall be filed on or before the twentieth day of the
10 calendar month following the end of such calendar quarter. The
11 taxpayer shall also file a return with the Department for each
12 of the first 2 months of each calendar quarter, on or before
13 the twentieth day of the following calendar month, stating:

14 1. The name of the seller;

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

18 3. The total amount of taxable receipts received by
19 him during the preceding calendar month from sales of
20 tangible personal property by him during such preceding
21 calendar month, including receipts from charge and time
22 sales, but less all deductions allowed by law;

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

25 5. The amount of tax due; and

26 6. Such other reasonable information as the Department

1 may require.

2 Every person engaged in the business of selling aviation
3 fuel at retail in this State during the preceding calendar
4 month shall, instead of reporting and paying tax as otherwise
5 required by this Section, report and pay such tax on a separate
6 aviation fuel tax return. The requirements related to the
7 return shall be as otherwise provided in this Section.
8 Notwithstanding any other provisions of this Act to the
9 contrary, retailers selling aviation fuel shall file all
10 aviation fuel tax returns and shall make all aviation fuel tax
11 payments by electronic means in the manner and form required
12 by the Department. For purposes of this Section, "aviation
13 fuel" means jet fuel and aviation gasoline.

14 Beginning on October 1, 2003, any person who is not a
15 licensed distributor, importing distributor, or manufacturer,
16 as defined in the Liquor Control Act of 1934, but is engaged in
17 the business of selling, at retail, alcoholic liquor shall
18 file a statement with the Department of Revenue, in a format
19 and at a time prescribed by the Department, showing the total
20 amount paid for alcoholic liquor purchased during the
21 preceding month and such other information as is reasonably
22 required by the Department. The Department may adopt rules to
23 require that this statement be filed in an electronic or
24 telephonic format. Such rules may provide for exceptions from
25 the filing requirements of this paragraph. For the purposes of
26 this paragraph, the term "alcoholic liquor" shall have the

1 meaning prescribed in the Liquor Control Act of 1934.

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

1 delivery or by mail. For purposes of this paragraph, the term
2 "electronic means" includes, but is not limited to, the use of
3 a secure Internet website, e-mail, or facsimile.

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

8 Notwithstanding any other provision of this Act to the
9 contrary, retailers subject to tax on cannabis shall file all
10 cannabis tax returns and shall make all cannabis tax payments
11 by electronic means in the manner and form required by the
12 Department.

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

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

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

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

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

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

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

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

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

1 monthly returns.

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

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

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

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

13 In addition, with respect to motor vehicles, watercraft,
14 aircraft, and trailers that are required to be registered with
15 an agency of this State, every person who is engaged in the
16 business of leasing or renting such items and who, in
17 connection with such business, sells any such item to a
18 retailer for the purpose of resale is, notwithstanding any
19 other provision of this Section to the contrary, authorized to
20 meet the return-filing requirement of this Act by reporting
21 the transfer of all the aircraft, watercraft, motor vehicles,
22 or trailers transferred for resale during a month to the
23 Department on the same uniform invoice-transaction reporting
24 return form on or before the 20th of the month following the
25 month in which the transfer takes place. Notwithstanding any
26 other provision of this Act to the contrary, all returns filed

1 under this paragraph must be filed by electronic means in the
2 manner and form as required by the Department.

3 Any retailer who sells only motor vehicles, watercraft,
4 aircraft, or trailers that are required to be registered with
5 an agency of this State, so that all retailers' occupation tax
6 liability is required to be reported, and is reported, on such
7 transaction reporting returns and who is not otherwise
8 required to file monthly or quarterly returns, need not file
9 monthly or quarterly returns. However, those retailers shall
10 be required to file returns on an annual basis.

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

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

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

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

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

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

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

22 On and after January 1, 2025, with respect to the lease of
23 trailers, other than semitrailers as defined in Section 1-187
24 of the Illinois Vehicle Code, that are required to be
25 registered with an agency of this State and that are subject to
26 the tax on lease receipts under this Act, notwithstanding any

1 other provision of this Act to the contrary, for the purpose of
2 reporting and paying tax under this Act on those lease
3 receipts, lessors shall file returns in addition to and
4 separate from the transaction reporting return. Lessors shall
5 file those lease returns and make payment to the Department by
6 electronic means on or before the 20th day of each month
7 following the month, quarter, or year, as applicable, in which
8 lease receipts were received. All lease receipts received by
9 the lessor from the lease of those trailers during the same
10 reporting period shall be reported and tax shall be paid on a
11 single return form to be prescribed by the Department.

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

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

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

1 of the limited liability company.

2 Except as provided in this Section, the retailer filing
3 the return under this Section shall, at the time of filing such
4 return, pay to the Department the amount of tax imposed by this
5 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
6 on and after January 1, 1990, or \$5 per calendar year,
7 whichever is greater, which is allowed to reimburse the
8 retailer for the expenses incurred in keeping records,
9 preparing and filing returns, remitting the tax and supplying
10 data to the Department on request. A ~~a~~ certified service
11 provider, as defined in the Leveling the Playing Field for
12 Illinois Retail Act, filing the return under this Section on
13 behalf of a remote retailer or a retailer maintaining a place
14 of business in this State shall, at the time of such return,
15 pay to the Department the amount of tax imposed by this Act
16 less a discount of 1.75%. A remote retailer or a retailer
17 maintaining a place of business in this State using a
18 certified service provider to file a return on its behalf, as
19 provided in the Leveling the Playing Field for Illinois Retail
20 Act, is not eligible for the discount. Beginning with returns
21 due on or after January 1, 2025, the vendor's discount allowed
22 in this Section, the Service Occupation Tax Act, the Use Tax
23 Act, and the Service Use Tax Act, including any local tax
24 administered by the Department and reported on the same
25 return, shall not exceed \$1,000 per month in the aggregate for
26 returns other than transaction returns filed during the month.

1 When determining the discount allowed under this Section,
2 retailers shall include the amount of tax that would have been
3 due at the 1% rate but for the 0% rate imposed under Public Act
4 102-700. When determining the discount allowed under this
5 Section, retailers shall include the amount of tax that would
6 have been due at the 6.25% rate but for the 1.25% rate imposed
7 on sales tax holiday items under Public Act 102-700. The
8 discount under this Section is not allowed for the 1.25%
9 portion of taxes paid on aviation fuel that is subject to the
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
11 47133. Any prepayment made pursuant to Section 2d of this Act
12 shall be included in the amount on which such discount is
13 computed. In the case of retailers who report and pay the tax
14 on a transaction by transaction basis, as provided in this
15 Section, such discount shall be taken with each such tax
16 remittance instead of when such retailer files his periodic
17 return, but, beginning with returns due on or after January 1,
18 2025, the vendor's discount allowed under this Section and the
19 Use Tax Act, including any local tax administered by the
20 Department and reported on the same transaction return, shall
21 not exceed \$1,000 per month for all transaction returns filed
22 during the month. The discount allowed under this Section is
23 allowed only for returns that are filed in the manner required
24 by this Act. The Department may disallow the discount for
25 retailers whose certificate of registration is revoked at the
26 time the return is filed, but only if the Department's

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

3 Before October 1, 2000, if the taxpayer's average monthly
4 tax liability to the Department under this Act, the Use Tax
5 Act, the Service Occupation Tax Act, and the Service Use Tax
6 Act, excluding any liability for prepaid sales tax to be
7 remitted in accordance with Section 2d of this Act, was
8 \$10,000 or more during the preceding 4 complete calendar
9 quarters, he shall file a return with the Department each
10 month by the 20th day of the month next following the month
11 during which such tax liability is incurred and shall make
12 payments to the Department on or before the 7th, 15th, 22nd and
13 last day of the month during which such liability is incurred.

14 On and after October 1, 2000, if the taxpayer's average
15 monthly tax liability to the Department under this Act, the
16 Use Tax Act, the Service Occupation Tax Act, and the Service
17 Use Tax Act, excluding any liability for prepaid sales tax to
18 be remitted in accordance with Section 2d of this Act, was
19 \$20,000 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 payment to the Department on or before the 7th, 15th, 22nd and
24 last day of the month during which such liability is incurred.

25 If the month during which such tax liability is incurred began
26 prior to January 1, 1985, each payment shall be in an amount

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

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

1 the Department during the preceding 4 complete calendar
2 quarters (excluding the month of highest liability and the
3 month of lowest liability) is less than \$19,000 or until such
4 taxpayer's average monthly liability to the Department as
5 computed for each calendar quarter of the 4 preceding complete
6 calendar quarter period is less than \$20,000. However, if a
7 taxpayer can show the Department that a substantial change in
8 the taxpayer's business has occurred which causes the taxpayer
9 to anticipate that his average monthly tax liability for the
10 reasonably foreseeable future will fall below the \$20,000
11 threshold stated above, then such taxpayer may petition the
12 Department for a change in such taxpayer's reporting status.
13 The Department shall change such taxpayer's reporting status
14 unless it finds that such change is seasonal in nature and not
15 likely to be long term. Quarter monthly payment status shall
16 be determined under this paragraph as if the rate reduction to
17 0% in Public Act 102-700 on food for human consumption that is
18 to be consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, and food that has been prepared for
21 immediate consumption) had not occurred. For quarter monthly
22 payments due under this paragraph on or after July 1, 2023 and
23 through June 30, 2024, "25% of the taxpayer's liability for
24 the same calendar month of the preceding year" shall be
25 determined as if the rate reduction to 0% in Public Act 102-700
26 had not occurred. Quarter monthly payment status shall be

1 determined under this paragraph as if the rate reduction to
2 1.25% in Public Act 102-700 on sales tax holiday items had not
3 occurred. For quarter monthly payments due on or after July 1,
4 2023 and through June 30, 2024, "25% of the taxpayer's
5 liability for the same calendar month of the preceding year"
6 shall be determined as if the rate reduction to 1.25% in Public
7 Act 102-700 on sales tax holiday items had not occurred. If any
8 such quarter monthly payment is not paid at the time or in the
9 amount required by this Section, then the taxpayer shall be
10 liable for penalties and interest on the difference between
11 the minimum amount due as a payment and the amount of such
12 quarter monthly payment actually and timely paid, except
13 insofar as the taxpayer has previously made payments for that
14 month to the Department in excess of the minimum payments
15 previously due as provided in this Section. The Department
16 shall make reasonable rules and regulations to govern the
17 quarter monthly payment amount and quarter monthly payment
18 dates for taxpayers who file on other than a calendar monthly
19 basis.

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

1 required by Section 2f and shall make payments to the
2 Department on or before the 7th, 15th, 22nd and last day of the
3 month during which such liability is incurred. If the month
4 during which such tax liability is incurred began prior to
5 September 1, 1985 (the effective date of Public Act 84-221),
6 each payment shall be in an amount not less than 22.5% of the
7 taxpayer's actual liability under Section 2d. If the month
8 during which such tax liability is incurred begins on or after
9 January 1, 1986, each payment shall be in an amount equal to
10 22.5% of the taxpayer's actual liability for the month or
11 27.5% of the taxpayer's liability for the same calendar month
12 of the preceding calendar year. If the month during which such
13 tax liability is incurred begins on or after January 1, 1987,
14 each payment shall be in an amount equal to 22.5% of the
15 taxpayer's actual liability for the month or 26.25% of the
16 taxpayer's liability for the same calendar month of the
17 preceding year. The amount of such quarter monthly payments
18 shall be credited against the final tax liability of the
19 taxpayer's return for that month filed under this Section or
20 Section 2f, as the case may be. Once applicable, the
21 requirement of the making of quarter monthly payments to the
22 Department pursuant to this paragraph shall continue until
23 such taxpayer's average monthly prepaid tax collections during
24 the preceding 2 complete calendar quarters is \$25,000 or less.
25 If any such quarter monthly payment is not paid at the time or
26 in the amount required, the taxpayer shall be liable for

1 penalties and interest on such difference, except insofar as
2 the taxpayer has previously made payments for that month in
3 excess of the minimum payments previously due.

4 The provisions of this paragraph apply on and after
5 October 1, 2001. Without regard to whether a taxpayer is
6 required to make quarter monthly payments as specified above,
7 any taxpayer who is required by Section 2d of this Act to
8 collect and remit prepaid taxes and has collected prepaid
9 taxes that average in excess of \$20,000 per month during the
10 preceding 4 complete calendar quarters shall file a return
11 with the Department as required by Section 2f and shall make
12 payments to the Department on or before the 7th, 15th, 22nd,
13 and last day of the month during which the liability is
14 incurred. Each payment shall be in an amount equal to 22.5% of
15 the taxpayer's actual liability for the month or 25% of the
16 taxpayer's liability for the same calendar month of the
17 preceding year. The amount of the quarter monthly payments
18 shall be credited against the final tax liability of the
19 taxpayer's return for that month filed under this Section or
20 Section 2f, as the case may be. Once applicable, the
21 requirement of the making of quarter monthly payments to the
22 Department pursuant to this paragraph shall continue until the
23 taxpayer's average monthly prepaid tax collections during the
24 preceding 4 complete calendar quarters (excluding the month of
25 highest liability and the month of lowest liability) is less
26 than \$19,000 or until such taxpayer's average monthly

1 liability to the Department as computed for each calendar
2 quarter of the 4 preceding complete calendar quarters is less
3 than \$20,000. If any such quarter monthly payment is not paid
4 at the time or in the amount required, the taxpayer shall be
5 liable for penalties and interest on such difference, except
6 insofar as the taxpayer has previously made payments for that
7 month in excess of the minimum payments previously due.

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

1 the difference between the credit taken and that actually due,
2 and that taxpayer shall be liable for penalties and interest
3 on such difference.

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

9 The net revenue realized at the 15% rate under either
10 Section 4 or Section 5 of this Act shall be deposited as
11 follows: (i) notwithstanding the provisions of this Section to
12 the contrary, the net revenue realized from the portion of the
13 rate in excess of 5% shall be deposited into the State and
14 Local Sales Tax Reform Fund; and (ii) the net revenue realized
15 from the 5% portion of the rate shall be deposited as provided
16 in this Section for the 5% portion of the 6.25% general rate
17 imposed under this Act.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the Local Government Tax Fund, a special fund in the
20 State treasury which is hereby created, the net revenue
21 realized for the preceding month from the 1% tax imposed under
22 this Act.

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

1 general rate other than aviation fuel sold on or after
2 December 1, 2019. This exception for aviation fuel only
3 applies for so long as the revenue use requirements of 49
4 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

5 Beginning August 1, 2000, each month the Department shall
6 pay into the County and Mass Transit District Fund 20% of the
7 net revenue realized for the preceding month from the 1.25%
8 rate on the selling price of motor fuel and gasohol. If, in any
9 month, the tax on sales tax holiday items, as defined in
10 Section 2-8, is imposed at the rate of 1.25%, then the
11 Department shall pay 20% of the net revenue realized for that
12 month from the 1.25% rate on the selling price of sales tax
13 holiday items into the County and Mass Transit District Fund.

14 Beginning January 1, 1990, each month the Department shall
15 pay into the Local Government Tax Fund 16% of the net revenue
16 realized for the preceding month from the 6.25% general rate
17 on the selling price of tangible personal property other than
18 aviation fuel sold on or after December 1, 2019. This
19 exception for aviation fuel only applies for so long as the
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
21 47133 are binding on the State.

22 For aviation fuel sold on or after December 1, 2019, each
23 month the Department shall pay into the State Aviation Program
24 Fund 20% of the net revenue realized for the preceding month
25 from the 6.25% general rate on the selling price of aviation
26 fuel, less an amount estimated by the Department to be

1 required for refunds of the 20% portion of the tax on aviation
2 fuel under this Act, which amount shall be deposited into the
3 Aviation Fuel Sales Tax Refund Fund. The Department shall only
4 pay moneys into the State Aviation Program Fund and the
5 Aviation Fuel Sales Tax Refund Fund under this Act for so long
6 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
7 U.S.C. 47133 are binding on the State.

8 Beginning August 1, 2000, each month the Department shall
9 pay into the Local Government Tax Fund 80% of the net revenue
10 realized for the preceding month from the 1.25% rate on the
11 selling price of motor fuel and gasohol. If, in any month, the
12 tax on sales tax holiday items, as defined in Section 2-8, is
13 imposed at the rate of 1.25%, then the Department shall pay 80%
14 of the net revenue realized for that month from the 1.25% rate
15 on the selling price of sales tax holiday items into the Local
16 Government Tax Fund.

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

24 Beginning July 1, 2011, each month the Department shall
25 pay into the Clean Air Act Permit Fund 80% of the net revenue
26 realized for the preceding month from the 6.25% general rate

1 on the selling price of sorbents used in Illinois in the
2 process of sorbent injection as used to comply with the
3 Environmental Protection Act or the federal Clean Air Act, but
4 the total payment into the Clean Air Act Permit Fund under this
5 Act and the Use Tax Act shall not exceed \$2,000,000 in any
6 fiscal year.

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

22 Beginning July 1, 2015, of the remainder of the moneys
23 received by the Department under the Use Tax Act, the Service
24 Use Tax Act, the Service Occupation Tax Act, and this Act, each
25 month the Department shall deposit \$500,000 into the State
26 Crime Laboratory Fund.

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

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

1 1991 \$145,470,000

2 1992 \$182,730,000

3 1993 \$206,520,000;

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

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

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000

1	2006	113,000,000
2	2007	119,000,000
3	2008	126,000,000
4	2009	132,000,000
5	2010	139,000,000
6	2011	146,000,000
7	2012	153,000,000
8	2013	161,000,000
9	2014	170,000,000
10	2015	179,000,000
11	2016	189,000,000
12	2017	199,000,000
13	2018	210,000,000
14	2019	221,000,000
15	2020	233,000,000
16	2021	300,000,000
17	2022	300,000,000
18	2023	300,000,000
19	2024	300,000,000
20	2025	300,000,000
21	2026	300,000,000
22	2027	375,000,000
23	2028	375,000,000
24	2029	375,000,000
25	2030	375,000,000
26	2031	375,000,000

1	2032	375,000,000
2	2033	375,000,000
3	2034	375,000,000
4	2035	375,000,000
5	2036	450,000,000

6 and

7 each fiscal year

8 thereafter that bonds

9 are outstanding under

10 Section 13.2 of the

11 Metropolitan Pier and

12 Exposition Authority Act,

13 but not after fiscal year 2060.

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

1 Subject to payment of amounts into the Capital Projects
2 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
3 and the McCormick Place Expansion Project Fund pursuant to the
4 preceding paragraphs or in any amendments thereto hereafter
5 enacted, for aviation fuel sold on or after December 1, 2019,
6 the Department shall each month deposit into the Aviation Fuel
7 Sales Tax Refund Fund an amount estimated by the Department to
8 be required for refunds of the 80% portion of the tax on
9 aviation fuel under this Act. The Department shall only
10 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
11 under this paragraph for so long as the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
13 binding on the State.

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

22 Subject to payment of amounts into the Build Illinois
23 Fund, the McCormick Place Expansion Project Fund, and the
24 Illinois Tax Increment Fund pursuant to the preceding
25 paragraphs or in any amendments to this Section hereafter
26 enacted, beginning on the first day of the first calendar

1 month to occur on or after August 26, 2014 (the effective date
2 of Public Act 98-1098), each month, from the collections made
3 under Section 9 of the Use Tax Act, Section 9 of the Service
4 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
5 Section 3 of the Retailers' Occupation Tax Act, the Department
6 shall pay into the Tax Compliance and Administration Fund, to
7 be used, subject to appropriation, to fund additional auditors
8 and compliance personnel at the Department of Revenue, an
9 amount equal to 1/12 of 5% of 80% of the cash receipts
10 collected during the preceding fiscal year by the Audit Bureau
11 of the Department under the Use Tax Act, the Service Use Tax
12 Act, the Service Occupation Tax Act, the Retailers' Occupation
13 Tax Act, and associated local occupation and use taxes
14 administered by the Department.

15 Subject to payments of amounts into the Build Illinois
16 Fund, the McCormick Place Expansion Project Fund, the Illinois
17 Tax Increment Fund, the Energy Infrastructure Fund, and the
18 Tax Compliance and Administration Fund as provided in this
19 Section, beginning on July 1, 2018 the Department shall pay
20 each month into the Downstate Public Transportation Fund the
21 moneys required to be so paid under Section 2-3 of the
22 Downstate Public Transportation Act.

23 Subject to successful execution and delivery of a
24 public-private agreement between the public agency and private
25 entity and completion of the civic build, beginning on July 1,
26 2023, of the remainder of the moneys received by the

1 Department under the Use Tax Act, the Service Use Tax Act, the
2 Service Occupation Tax Act, and this Act, the Department shall
3 deposit the following specified deposits in the aggregate from
4 collections under the Use Tax Act, the Service Use Tax Act, the
5 Service Occupation Tax Act, and the Retailers' Occupation Tax
6 Act, as required under Section 8.25g of the State Finance Act
7 for distribution consistent with the Public-Private
8 Partnership for Civic and Transit Infrastructure Project Act.
9 The moneys received by the Department pursuant to this Act and
10 required to be deposited into the Civic and Transit
11 Infrastructure Fund are subject to the pledge, claim and
12 charge set forth in Section 25-55 of the Public-Private
13 Partnership for Civic and Transit Infrastructure Project Act.
14 As used in this paragraph, "civic build", "private entity",
15 "public-private agreement", and "public agency" have the
16 meanings provided in Section 25-10 of the Public-Private
17 Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024	\$200,000,000
2025	\$206,000,000
2026	\$212,200,000
2027	\$218,500,000
2028	\$225,100,000
2029	\$288,700,000
2030	\$298,900,000
2031	\$309,300,000

1	2032	.....	\$320,100,000
2	2033	.....	\$331,200,000
3	2034	.....	\$341,200,000
4	2035	.....	\$351,400,000
5	2036	.....	\$361,900,000
6	2037	.....	\$372,800,000
7	2038	.....	\$384,000,000
8	2039	.....	\$395,500,000
9	2040	.....	\$407,400,000
10	2041	.....	\$419,600,000
11	2042	.....	\$432,200,000
12	2043	.....	\$445,100,000

13 Beginning July 1, 2021 and until July 1, 2022, subject to
14 the payment of amounts into the County and Mass Transit
15 District Fund, the Local Government Tax Fund, the Build
16 Illinois Fund, the McCormick Place Expansion Project Fund, the
17 Illinois Tax Increment Fund, and the Tax Compliance and
18 Administration Fund as provided in this Section, the
19 Department shall pay each month into the Road Fund the amount
20 estimated to represent 16% of the net revenue realized from
21 the taxes imposed on motor fuel and gasohol. Beginning July 1,
22 2022 and until July 1, 2023, subject to the payment of amounts
23 into the County and Mass Transit District Fund, the Local
24 Government Tax Fund, the Build Illinois Fund, the McCormick
25 Place Expansion Project Fund, the Illinois Tax Increment Fund,
26 and the Tax Compliance and Administration Fund as provided in

1 this Section, the Department shall pay each month into the
2 Road Fund the amount estimated to represent 32% of the net
3 revenue realized from the taxes imposed on motor fuel and
4 gasohol. Beginning July 1, 2023 and until July 1, 2024,
5 subject to the payment of amounts into the County and Mass
6 Transit District Fund, the Local Government Tax Fund, the
7 Build Illinois Fund, the McCormick Place Expansion Project
8 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
9 and Administration Fund as provided in this Section, the
10 Department shall pay each month into the Road Fund the amount
11 estimated to represent 48% of the net revenue realized from
12 the taxes imposed on motor fuel and gasohol. Beginning July 1,
13 2024 and until July 1, 2026, subject to the payment of amounts
14 into the County and Mass Transit District Fund, the Local
15 Government Tax Fund, the Build Illinois Fund, the McCormick
16 Place Expansion Project Fund, the Illinois Tax Increment Fund,
17 and the Tax Compliance and Administration Fund as provided in
18 this Section, the Department shall pay each month into the
19 Road Fund the amount estimated to represent 64% of the net
20 revenue realized from the taxes imposed on motor fuel and
21 gasohol. Beginning on July 1, 2026, subject to the payment of
22 amounts into the County and Mass Transit District Fund, the
23 Local Government Tax Fund, the Build Illinois Fund, the
24 McCormick Place Expansion Project Fund, the Illinois Tax
25 Increment Fund, and the Tax Compliance and Administration Fund
26 as provided in this Section, the Department shall pay each

1 month into the Road Fund the amount estimated to represent 80%
2 of the net revenue realized from the taxes imposed on motor
3 fuel and gasohol. As used in this paragraph "motor fuel" has
4 the meaning given to that term in Section 1.1 of the Motor Fuel
5 Tax Law, and "gasohol" has the meaning given to that term in
6 Section 3-40 of the Use Tax Act.

7 Until July 1, 2025, of the remainder of the moneys
8 received by the Department pursuant to this Act, 75% thereof
9 shall be paid into the State treasury and 25% shall be reserved
10 in a special account and used only for the transfer to the
11 Common School Fund as part of the monthly transfer from the
12 General Revenue Fund in accordance with Section 8a of the
13 State Finance Act. Beginning July 1, 2025, of the remainder of
14 the moneys received by the Department pursuant to this Act,
15 75% shall be deposited into the General Revenue Fund and 25%
16 shall be deposited into the Common School Fund.

17 The Department may, upon separate written notice to a
18 taxpayer, require the taxpayer to prepare and file with the
19 Department on a form prescribed by the Department within not
20 less than 60 days after receipt of the notice an annual
21 information return for the tax year specified in the notice.
22 Such annual return to the Department shall include a statement
23 of gross receipts as shown by the retailer's last federal
24 income tax return. If the total receipts of the business as
25 reported in the federal income tax return do not agree with the
26 gross receipts reported to the Department of Revenue for the

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

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

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

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

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

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

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

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

24 For greater simplicity of administration, manufacturers,
25 importers and wholesalers whose products are sold at retail in
26 Illinois by numerous retailers, and who wish to do so, may

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

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

22 Any person engaged in the business of selling tangible
23 personal property at retail as a concessionaire or other type
24 of seller at the Illinois State Fair, county fairs, art shows,
25 flea markets, and similar exhibitions or events, or any
26 transient merchants, as defined by Section 2 of the Transient

1 Merchant Act of 1987, may be required to make a daily report of
2 the amount of such sales to the Department and to make a daily
3 payment of the full amount of tax due. The Department shall
4 impose this requirement when it finds that there is a
5 significant risk of loss of revenue to the State at such an
6 exhibition or event. Such a finding shall be based on evidence
7 that a substantial number of concessionaires or other sellers
8 who are not residents of Illinois will be engaging in the
9 business of selling tangible personal property at retail at
10 the exhibition or event, or other evidence of a significant
11 risk of loss of revenue to the State. The Department shall
12 notify concessionaires and other sellers affected by the
13 imposition of this requirement. In the absence of notification
14 by the Department, the concessionaires and other sellers shall
15 file their returns as otherwise required in this Section.

16 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
17 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
18 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
19 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
20 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
21 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
22 eff. 6-16-25; revised 1-12-26.)

23 (Text of Section after amendment by P.A. 104-457)

24 Sec. 3. Except as provided in this Section, on or before
25 the twentieth day of each calendar month, every person engaged

1 in the business of selling, which, on and after January 1,
2 2025, includes leasing, tangible personal property at retail
3 in this State during the preceding calendar month shall file a
4 return with the Department, stating:

5 1. The name of the seller;

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

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

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

21 5. Deductions allowed by law;

22 6. Gross receipts which were received by him during
23 the preceding calendar month or quarter and upon the basis
24 of which the tax is imposed, including gross receipts on
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages,

1 food consisting of or infused with adult use cannabis,
2 soft drinks, and food that has been prepared for immediate
3 consumption) which were received during the preceding
4 calendar month or quarter and upon which tax would have
5 been due but for the 0% rate imposed under Public Act
6 102-700;

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

9 8. The amount of tax due, including the amount of tax
10 that would have been due on food for human consumption
11 that is to be consumed off the premises where it is sold
12 (other than alcoholic beverages, food consisting of or
13 infused with adult use cannabis, soft drinks, and food
14 that has been prepared for immediate consumption) but for
15 the 0% rate imposed under Public Act 102-700;

16 9. The signature of the taxpayer; and

17 10. Such other reasonable information as the
18 Department may require.

19 In the case of leases, except as otherwise provided in
20 this Act, the lessor must remit for each tax return period only
21 the tax applicable to that part of the selling price actually
22 received during such tax return period.

23 On and after January 1, 2018, except for returns required
24 to be filed prior to January 1, 2023 for motor vehicles,
25 watercraft, aircraft, and trailers that are required to be
26 registered with an agency of this State, with respect to

1 retailers whose annual gross receipts average \$20,000 or more,
2 all returns required to be filed pursuant to this Act shall be
3 filed electronically. On and after January 1, 2023, with
4 respect to retailers whose annual gross receipts average
5 \$20,000 or more, all returns required to be filed pursuant to
6 this Act, including, but not limited to, returns for motor
7 vehicles, watercraft, aircraft, and trailers that are required
8 to be registered with an agency of this State, shall be filed
9 electronically. Retailers who demonstrate that they do not
10 have access to the Internet or demonstrate hardship in filing
11 electronically may petition the Department to waive the
12 electronic filing requirement.

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

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

20 Prior to October 1, 2003 and on and after September 1,
21 2004, a retailer may accept a Manufacturer's Purchase Credit
22 certification from a purchaser in satisfaction of Use Tax as
23 provided in Section 3-85 of the Use Tax Act if the purchaser
24 provides the appropriate documentation as required by Section
25 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
26 certification, accepted by a retailer prior to October 1, 2003

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

15 Beginning on July 1, 2023 and through December 31, 2032, a
16 retailer may accept a Sustainable Aviation Fuel Purchase
17 Credit certification from an air common carrier-purchaser in
18 satisfaction of Use Tax on aviation fuel as provided in
19 Section 3-87 of the Use Tax Act if the purchaser provides the
20 appropriate documentation as required by Section 3-87 of the
21 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
22 certification accepted by a retailer in accordance with this
23 paragraph may be used by that retailer to satisfy Retailers'
24 Occupation Tax liability (but not in satisfaction of penalty
25 or interest) in the amount claimed in the certification, not
26 to exceed 6.25% of the receipts subject to tax from a sale of

1 aviation fuel. In addition, for a sale of aviation fuel to
2 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
3 retailers must retain in their books and records a
4 certification from the producer of the aviation fuel that the
5 aviation fuel sold by the retailer and for which a sustainable
6 aviation fuel purchase credit was earned meets the definition
7 of sustainable aviation fuel under Section 3-87 of the Use Tax
8 Act. The documentation must include detail sufficient for the
9 Department to determine the number of gallons of sustainable
10 aviation fuel sold.

11 The Department may require returns to be filed on a
12 quarterly basis. If so required, a return for each calendar
13 quarter shall be filed on or before the twentieth day of the
14 calendar month following the end of such calendar quarter. The
15 taxpayer shall also file a return with the Department for each
16 of the first 2 months of each calendar quarter, on or before
17 the twentieth day of the following calendar month, stating:

18 1. The name of the seller;

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

22 3. The total amount of taxable receipts received by
23 him during the preceding calendar month from sales of
24 tangible personal property by him during such preceding
25 calendar month, including receipts from charge and time
26 sales, but less all deductions allowed by law;

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

3 5. The amount of tax due; and

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

6 Every person engaged in the business of selling aviation
7 fuel at retail in this State during the preceding calendar
8 month shall, instead of reporting and paying tax as otherwise
9 required by this Section, report and pay such tax on a separate
10 aviation fuel tax return. The requirements related to the
11 return shall be as otherwise provided in this Section.
12 Notwithstanding any other provisions of this Act to the
13 contrary, retailers selling aviation fuel shall file all
14 aviation fuel tax returns and shall make all aviation fuel tax
15 payments by electronic means in the manner and form required
16 by the Department. For purposes of this Section, "aviation
17 fuel" means jet fuel and aviation gasoline.

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

1 require that this statement be filed in an electronic or
2 telephonic format. Such rules may provide for exceptions from
3 the filing requirements of this paragraph. For the purposes of
4 this paragraph, the term "alcoholic liquor" shall have the
5 meaning prescribed in the Liquor Control Act of 1934.

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

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

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

12 Notwithstanding any other provision of this Act to the
13 contrary, retailers subject to tax on cannabis shall file all
14 cannabis tax returns and shall make all cannabis tax payments
15 by electronic means in the manner and form required by the
16 Department.

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

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

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

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

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

1 payments in the manner authorized by the Department.

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

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

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

23 If the retailer is otherwise required to file a monthly or
24 quarterly return and if the retailer's average monthly tax
25 liability with the Department does not exceed \$50, the
26 Department may authorize his returns to be filed on an annual

1 basis, with the return for a given year being due by January 20
2 of the following year.

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

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

13 Where the same person has more than one business
14 registered with the Department under separate registrations
15 under this Act, such person may 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 In addition, with respect to motor vehicles, watercraft,
20 aircraft, and trailers that are required to be registered with
21 an agency of this State, except as otherwise provided in this
22 Section, every retailer selling this kind of tangible personal
23 property shall file, with the Department, upon a form to be
24 prescribed and supplied by the Department, a separate return
25 for each such item of tangible personal property which the
26 retailer sells, except that if, in the same transaction, (i) a

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

17 In addition, with respect to motor vehicles, watercraft,
18 aircraft, and trailers that are required to be registered with
19 an agency of this State, every person who is engaged in the
20 business of leasing or renting such items and who, in
21 connection with such business, sells any such item to a
22 retailer for the purpose of resale is, notwithstanding any
23 other provision of this Section to the contrary, authorized to
24 meet the return-filing requirement of this Act by reporting
25 the transfer of all the aircraft, watercraft, motor vehicles,
26 or trailers transferred for resale during a month to the

1 Department on the same uniform invoice-transaction reporting
2 return form on or before the 20th of the month following the
3 month in which the transfer takes place. Notwithstanding any
4 other provision of this Act to the contrary, all returns filed
5 under this paragraph must be filed by electronic means in the
6 manner and form as required by the Department.

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

15 The transaction reporting return, in the case of motor
16 vehicles or trailers that are required to be registered with
17 an agency of this State, shall be the same document as the
18 Uniform Invoice referred to in Section 5-402 of the Illinois
19 Vehicle Code and must show the name and address of the seller;
20 the name and address of the purchaser; the amount of the
21 selling price including the amount allowed by the retailer for
22 traded-in property, if any; the amount allowed by the retailer
23 for the traded-in tangible personal property, if any, to the
24 extent to which Section 1 of this Act allows an exemption for
25 the value of traded-in property; the balance payable after
26 deducting such trade-in allowance from the total selling

1 price; the amount of tax due from the retailer with respect to
2 such transaction; the amount of tax collected from the
3 purchaser by the retailer on such transaction (or satisfactory
4 evidence that such tax is not due in that particular instance,
5 if that is claimed to be the fact); the place and date of the
6 sale; a sufficient identification of the property sold; such
7 other information as is required in Section 5-402 of the
8 Illinois Vehicle Code, and such other information as the
9 Department may reasonably require.

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

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

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

26 No retailer's failure or refusal to remit tax under this

1 Act precludes a user, who has paid the proper tax to the
2 retailer, from obtaining his certificate of title or other
3 evidence of title or registration (if titling or registration
4 is required) upon satisfying the Department that such user has
5 paid the proper tax (if tax is due) to the retailer. The
6 Department shall adopt appropriate rules to carry out the
7 mandate of this paragraph.

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

26 On and after January 1, 2025, with respect to the lease of

1 trailers, other than semitrailers as defined in Section 1-187
2 of the Illinois Vehicle Code, that are required to be
3 registered with an agency of this State and that are subject to
4 the tax on lease receipts under this Act, notwithstanding any
5 other provision of this Act to the contrary, for the purpose of
6 reporting and paying tax under this Act on those lease
7 receipts, lessors shall file returns in addition to and
8 separate from the transaction reporting return. Lessors shall
9 file those lease returns and make payment to the Department by
10 electronic means on or before the 20th day of each month
11 following the month, quarter, or year, as applicable, in which
12 lease receipts were received. All lease receipts received by
13 the lessor from the lease of those trailers during the same
14 reporting period shall be reported and tax shall be paid on a
15 single return form to be prescribed by the Department.

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

1 accredited agent of such corporation.

2 Where the seller is a limited liability company, the
3 return filed on behalf of the limited liability company shall
4 be signed by a manager, member, or properly accredited agent
5 of the limited liability company.

6 Except as provided in this Section, the retailer filing
7 the return under this Section shall, at the time of filing such
8 return, pay to the Department the amount of tax imposed by this
9 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
10 on and after January 1, 1990, or \$5 per calendar year,
11 whichever is greater, which is allowed to reimburse the
12 retailer for the expenses incurred in keeping records,
13 preparing and filing returns, remitting the tax and supplying
14 data to the Department on request. A certified service
15 provider, as defined in the Leveling the Playing Field for
16 Illinois Retail Act, filing the return under this Section on
17 behalf of a remote retailer or a retailer maintaining a place
18 of business in this State shall, at the time of such return,
19 pay to the Department the amount of tax imposed by this Act
20 less a discount of 1.75%. A remote retailer or a retailer
21 maintaining a place of business in this State using a
22 certified service provider to file a return on its behalf, as
23 provided in the Leveling the Playing Field for Illinois Retail
24 Act, is not eligible for the discount. Beginning with returns
25 due on or after January 1, 2025, the vendor's discount allowed
26 in this Section, the Service Occupation Tax Act, the Use Tax

1 Act, and the Service Use Tax Act, including any local tax
2 administered by the Department and reported on the same
3 return, shall not exceed \$1,000 per month in the aggregate for
4 returns other than transaction returns filed during the month.
5 When determining the discount allowed under this Section,
6 retailers shall include the amount of tax that would have been
7 due at the 1% rate but for the 0% rate imposed under Public Act
8 102-700. When determining the discount allowed under this
9 Section, retailers shall include the amount of tax that would
10 have been due at the 6.25% rate but for the 1.25% rate imposed
11 on sales tax holiday items under Public Act 102-700. The
12 discount under this Section is not allowed for the 1.25%
13 portion of taxes paid on aviation fuel that is subject to the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133. Any prepayment made pursuant to Section 2d of this Act
16 shall be included in the amount on which such discount is
17 computed. In the case of retailers who report and pay the tax
18 on a transaction by transaction basis, as provided in this
19 Section, such discount shall be taken with each such tax
20 remittance instead of when such retailer files his periodic
21 return, but, beginning with returns due on or after January 1,
22 2025, the vendor's discount allowed under this Section and the
23 Use Tax Act, including any local tax administered by the
24 Department and reported on the same transaction return, shall
25 not exceed \$1,000 per month for all transaction returns filed
26 during the month. The discount allowed under this Section is

1 allowed only for returns that are filed in the manner required
2 by this Act. The Department may disallow the discount for
3 retailers whose certificate of registration is revoked at the
4 time the return is filed, but only if the Department's
5 decision to revoke the certificate of registration has become
6 final.

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

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

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

1 of the making of quarter monthly payments to the Department by
2 taxpayers having an average monthly tax liability of \$20,000
3 or more as determined in the manner provided above shall
4 continue until such taxpayer's average monthly liability to
5 the Department during the preceding 4 complete calendar
6 quarters (excluding the month of highest liability and the
7 month of lowest liability) is less than \$19,000 or until such
8 taxpayer's average monthly liability to the Department as
9 computed for each calendar quarter of the 4 preceding complete
10 calendar quarter period is less than \$20,000. However, if a
11 taxpayer can show the Department that a substantial change in
12 the taxpayer's business has occurred which causes the taxpayer
13 to anticipate that his average monthly tax liability for the
14 reasonably foreseeable future will fall below the \$20,000
15 threshold stated above, then such taxpayer may petition the
16 Department for a change in such taxpayer's reporting status.
17 The Department shall change such taxpayer's reporting status
18 unless it finds that such change is seasonal in nature and not
19 likely to be long term. Quarter monthly payment status shall
20 be determined under this paragraph as if the rate reduction to
21 0% in Public Act 102-700 on food for human consumption that is
22 to be consumed off the premises where it is sold (other than
23 alcoholic beverages, food consisting of or infused with adult
24 use cannabis, soft drinks, and food that has been prepared for
25 immediate consumption) had not occurred. For quarter monthly
26 payments due under this paragraph on or after July 1, 2023 and

1 through June 30, 2024, "25% of the taxpayer's liability for
2 the same calendar month of the preceding year" shall be
3 determined as if the rate reduction to 0% in Public Act 102-700
4 had not occurred. Quarter monthly payment status shall be
5 determined under this paragraph as if the rate reduction to
6 1.25% in Public Act 102-700 on sales tax holiday items had not
7 occurred. For quarter monthly payments due on or after July 1,
8 2023 and through June 30, 2024, "25% of the taxpayer's
9 liability for the same calendar month of the preceding year"
10 shall be determined as if the rate reduction to 1.25% in Public
11 Act 102-700 on sales tax holiday items had not occurred. If any
12 such quarter monthly payment is not paid at the time or in the
13 amount required by this Section, then the taxpayer shall be
14 liable for penalties and interest on the difference between
15 the minimum amount due as a payment and the amount of such
16 quarter monthly payment actually and timely paid, except
17 insofar as the taxpayer has previously made payments for that
18 month to the Department in excess of the minimum payments
19 previously due as provided in this Section. The Department
20 shall make reasonable rules and regulations to govern the
21 quarter monthly payment amount and quarter monthly payment
22 dates for taxpayers who file on other than a calendar monthly
23 basis.

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

1 is required by Section 2d of this Act to collect and remit
2 prepaid taxes and has collected prepaid taxes which average in
3 excess of \$25,000 per month during the preceding 2 complete
4 calendar quarters, shall file a return with the Department as
5 required by Section 2f and shall make payments to the
6 Department on or before the 7th, 15th, 22nd and last day of the
7 month during which such liability is incurred. If the month
8 during which such tax liability is incurred began prior to
9 September 1, 1985 (the effective date of Public Act 84-221),
10 each payment shall be in an amount not less than 22.5% of the
11 taxpayer's actual liability under Section 2d. If the month
12 during which such tax liability is incurred begins on or after
13 January 1, 1986, each payment shall be in an amount equal to
14 22.5% of the taxpayer's actual liability for the month or
15 27.5% of the taxpayer's liability for the same calendar month
16 of the preceding calendar year. If the month during which such
17 tax liability is incurred begins on or after January 1, 1987,
18 each payment shall be in an amount equal to 22.5% of the
19 taxpayer's actual liability for the month or 26.25% of the
20 taxpayer's liability for the same calendar month of the
21 preceding year. The amount of such quarter monthly payments
22 shall be credited against the final tax liability of the
23 taxpayer's return for that month filed under this Section or
24 Section 2f, as the case may be. Once applicable, the
25 requirement of the making of quarter monthly payments to the
26 Department pursuant to this paragraph shall continue until

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

8 The provisions of this paragraph apply on and after
9 October 1, 2001. Without regard to whether a taxpayer is
10 required to make quarter monthly payments as specified above,
11 any taxpayer who is required by Section 2d of this Act to
12 collect and remit prepaid taxes and has collected prepaid
13 taxes that average in excess of \$20,000 per month during the
14 preceding 4 complete calendar quarters shall file a return
15 with the Department as required by Section 2f and shall make
16 payments to the Department on or before the 7th, 15th, 22nd,
17 and last day of the month during which the liability is
18 incurred. Each payment shall be in an amount equal to 22.5% of
19 the taxpayer's actual liability for the month or 25% of the
20 taxpayer's liability for the same calendar month of the
21 preceding year. The amount of the quarter monthly payments
22 shall be credited against the final tax liability of the
23 taxpayer's return for that month filed under this Section or
24 Section 2f, as the case may be. Once applicable, the
25 requirement of the making of quarter monthly payments to the
26 Department pursuant to this paragraph shall continue until the

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

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

1 regulations prescribed by the Department. If the Department
2 subsequently determined that all or any part of the credit
3 taken was not actually due to the taxpayer, the taxpayer's
4 vendor's discount shall be reduced, if necessary, to reflect
5 the difference between the credit taken and that actually due,
6 and that taxpayer shall be liable for penalties and interest
7 on such difference.

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

13 The net revenue realized at the 15% rate under either
14 Section 4 or Section 5 of this Act shall be deposited as
15 follows: (i) notwithstanding the provisions of this Section to
16 the contrary, the net revenue realized from the portion of the
17 rate in excess of 5% shall be deposited into the State and
18 Local Sales Tax Reform Fund; and (ii) the net revenue realized
19 from the 5% portion of the rate shall be deposited as provided
20 in this Section for the 5% portion of the 6.25% general rate
21 imposed under this Act.

22 Beginning January 1, 1990, each month the Department shall
23 pay into the Local Government Tax Fund, a special fund in the
24 State treasury which is hereby created, the net revenue
25 realized for the preceding month from the 1% tax imposed under
26 this Act.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the County and Mass Transit District Fund, a special
3 fund in the State treasury which is hereby created, 4% of the
4 net revenue realized for the preceding month from the 6.25%
5 general rate other than aviation fuel sold on or after
6 December 1, 2019. This exception for aviation fuel only
7 applies for so long as the revenue use requirements of 49
8 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

9 Beginning August 1, 2000, each month the Department shall
10 pay into the County and Mass Transit District Fund 20% of the
11 net revenue realized for the preceding month from the 1.25%
12 rate on the selling price of motor fuel and gasohol. If, in any
13 month, the tax on sales tax holiday items, as defined in
14 Section 2-8, is imposed at the rate of 1.25%, then the
15 Department shall pay 20% of the net revenue realized for that
16 month from the 1.25% rate on the selling price of sales tax
17 holiday items into the County and Mass Transit District Fund.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the Local Government Tax Fund 16% of the net revenue
20 realized for the preceding month from the 6.25% general rate
21 on the selling price of tangible personal property other than
22 aviation fuel sold on or after December 1, 2019. This
23 exception for aviation fuel only applies for so long as the
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
25 47133 are binding on the State.

26 For aviation fuel sold on or after December 1, 2019, each

1 month the Department shall pay into the State Aviation Program
2 Fund 20% of the net revenue realized for the preceding month
3 from the 6.25% general rate on the selling price of aviation
4 fuel, less an amount estimated by the Department to be
5 required for refunds of the 20% portion of the tax on aviation
6 fuel under this Act, which amount shall be deposited into the
7 Aviation Fuel Sales Tax Refund Fund. The Department shall only
8 pay moneys into the State Aviation Program Fund and the
9 Aviation Fuel Sales Tax Refund Fund under this Act for so long
10 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
11 U.S.C. 47133 are binding on the State.

12 Beginning August 1, 2000, each month the Department shall
13 pay into the Local Government Tax Fund 80% of the net revenue
14 realized for the preceding month from the 1.25% rate on the
15 selling price of motor fuel and gasohol. If, in any month, the
16 tax on sales tax holiday items, as defined in Section 2-8, is
17 imposed at the rate of 1.25%, then the Department shall pay 80%
18 of the net revenue realized for that month from the 1.25% rate
19 on the selling price of sales tax holiday items into the Local
20 Government Tax Fund.

21 Beginning October 1, 2009, each month the Department shall
22 pay into the Capital Projects Fund an amount that is equal to
23 an amount estimated by the Department to represent 80% of the
24 net revenue realized for the preceding month from the sale of
25 candy, grooming and hygiene products, and soft drinks that had
26 been taxed at a rate of 1% prior to September 1, 2009 but that

1 are now taxed at 6.25%.

2 Beginning July 1, 2011, each month the Department shall
3 pay into the Clean Air Act Permit Fund 80% of the net revenue
4 realized for the preceding month from the 6.25% general rate
5 on the selling price of sorbents used in Illinois in the
6 process of sorbent injection as used to comply with the
7 Environmental Protection Act or the federal Clean Air Act, but
8 the total payment into the Clean Air Act Permit Fund under this
9 Act and the Use Tax Act shall not exceed \$2,000,000 in any
10 fiscal year.

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

26 Beginning July 1, 2015, of the remainder of the moneys

1 received by the Department under the Use Tax Act, the Service
2 Use Tax Act, the Service Occupation Tax Act, and this Act, each
3 month the Department shall deposit \$500,000 into the State
4 Crime Laboratory Fund.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000

1	1987	\$76,650,000
2	1988	\$80,480,000
3	1989	\$88,510,000
4	1990	\$115,330,000
5	1991	\$145,470,000
6	1992	\$182,730,000
7	1993	\$206,520,000;

8 and means the Certified Annual Debt Service Requirement (as
9 defined in Section 13 of the Build Illinois Bond Act) or the
10 Tax Act Amount, whichever is greater, for fiscal year 1994 and
11 each fiscal year thereafter; and further provided, that if on
12 the last business day of any month the sum of (1) the Tax Act
13 Amount required to be deposited into the Build Illinois Bond
14 Account in the Build Illinois Fund during such month and (2)
15 the amount transferred to the Build Illinois Fund from the
16 State and Local Sales Tax Reform Fund shall have been less than
17 1/12 of the Annual Specified Amount, an amount equal to the
18 difference shall be immediately paid into the Build Illinois
19 Fund from other moneys received by the Department pursuant to
20 the Tax Acts; and, further provided, that in no event shall the
21 payments required under the preceding proviso result in
22 aggregate payments into the Build Illinois Fund pursuant to
23 this clause (b) for any fiscal year in excess of the greater of
24 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
25 such fiscal year. The amounts payable into the Build Illinois
26 Fund under clause (b) of the first sentence in this paragraph

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

1 Department pursuant to this Act and required to be deposited
2 into the Build Illinois Fund are subject to the pledge, claim
3 and charge set forth in Section 12 of the Build Illinois Bond
4 Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000

1	2002	93,000,000
2	2003	99,000,000
3	2004	103,000,000
4	2005	108,000,000
5	2006	113,000,000
6	2007	119,000,000
7	2008	126,000,000
8	2009	132,000,000
9	2010	139,000,000
10	2011	146,000,000
11	2012	153,000,000
12	2013	161,000,000
13	2014	170,000,000
14	2015	179,000,000
15	2016	189,000,000
16	2017	199,000,000
17	2018	210,000,000
18	2019	221,000,000
19	2020	233,000,000
20	2021	300,000,000
21	2022	300,000,000
22	2023	300,000,000
23	2024	300,000,000
24	2025	300,000,000
25	2026	300,000,000
26	2027	375,000,000

1	2028	375,000,000
2	2029	375,000,000
3	2030	375,000,000
4	2031	375,000,000
5	2032	375,000,000
6	2033	375,000,000
7	2034	375,000,000
8	2035	375,000,000
9	2036	450,000,000

10 and

11 each fiscal year

12 thereafter that bonds

13 are outstanding under

14 Section 13.2 of the

15 Metropolitan Pier and

16 Exposition Authority Act,

17 but not after fiscal year 2060.

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

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

5 Subject to payment of amounts into the Capital Projects
6 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, for aviation fuel sold on or after December 1, 2019,
10 the Department shall each month deposit into the Aviation Fuel
11 Sales Tax Refund Fund an amount estimated by the Department to
12 be required for refunds of the 80% portion of the tax on
13 aviation fuel under this Act. The Department shall only
14 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
15 under this paragraph for so long as the revenue use
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
17 binding on the State.

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

26 Subject to payment of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, and the
2 Illinois Tax Increment Fund pursuant to the preceding
3 paragraphs or in any amendments to this Section hereafter
4 enacted, beginning on the first day of the first calendar
5 month to occur on or after August 26, 2014 (the effective date
6 of Public Act 98-1098), each month, from the collections made
7 under Section 9 of the Use Tax Act, Section 9 of the Service
8 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
9 Section 3 of the Retailers' Occupation Tax Act, the Department
10 shall pay into the Tax Compliance and Administration Fund, to
11 be used, subject to appropriation, to fund additional auditors
12 and compliance personnel at the Department of Revenue, an
13 amount equal to 1/12 of 5% of 80% of the cash receipts
14 collected during the preceding fiscal year by the Audit Bureau
15 of the Department under the Use Tax Act, the Service Use Tax
16 Act, the Service Occupation Tax Act, the Retailers' Occupation
17 Tax Act, and associated local occupation and use taxes
18 administered by the Department.

19 Subject to payments of amounts into the Build Illinois
20 Fund, the McCormick Place Expansion Project Fund, the Illinois
21 Tax Increment Fund, the Energy Infrastructure Fund, and the
22 Tax Compliance and Administration Fund as provided in this
23 Section, beginning on July 1, 2018 the Department shall pay
24 each month into the Downstate Public Transportation Fund the
25 moneys required to be so paid under Section 2-3 of the
26 Downstate Public Transportation Act.

1 Subject to successful execution and delivery of a
2 public-private agreement between the public agency and private
3 entity and completion of the civic build, beginning on July 1,
4 2023, of the remainder of the moneys received by the
5 Department under the Use Tax Act, the Service Use Tax Act, the
6 Service Occupation Tax Act, and this Act, the Department shall
7 deposit the following specified deposits in the aggregate from
8 collections under the Use Tax Act, the Service Use Tax Act, the
9 Service Occupation Tax Act, and the Retailers' Occupation Tax
10 Act, as required under Section 8.25g of the State Finance Act
11 for distribution consistent with the Public-Private
12 Partnership for Civic and Transit Infrastructure Project Act.
13 The moneys received by the Department pursuant to this Act and
14 required to be deposited into the Civic and Transit
15 Infrastructure Fund are subject to the pledge, claim and
16 charge set forth in Section 25-55 of the Public-Private
17 Partnership for Civic and Transit Infrastructure Project Act.
18 As used in this paragraph, "civic build", "private entity",
19 "public-private agreement", and "public agency" have the
20 meanings provided in Section 25-10 of the Public-Private
21 Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024	\$200,000,000
2025	\$206,000,000
2026	\$212,200,000
2027	\$218,500,000

1	2028	.....	\$225,100,000
2	2029	.....	\$288,700,000
3	2030	.....	\$298,900,000
4	2031	.....	\$309,300,000
5	2032	.....	\$320,100,000
6	2033	.....	\$331,200,000
7	2034	.....	\$341,200,000
8	2035	.....	\$351,400,000
9	2036	.....	\$361,900,000
10	2037	.....	\$372,800,000
11	2038	.....	\$384,000,000
12	2039	.....	\$395,500,000
13	2040	.....	\$407,400,000
14	2041	.....	\$419,600,000
15	2042	.....	\$432,200,000
16	2043	.....	\$445,100,000

17 Beginning July 1, 2021 and until July 1, 2022, subject to
18 the payment of amounts into the County and Mass Transit
19 District Fund, the Local Government Tax Fund, the Build
20 Illinois Fund, the McCormick Place Expansion Project Fund, the
21 Illinois Tax Increment Fund, and the Tax Compliance and
22 Administration Fund as provided in this Section, the
23 Department shall pay each month into the Road Fund the amount
24 estimated to represent 16% of the net revenue realized from
25 the taxes imposed on motor fuel and gasohol. Beginning July 1,
26 2022 and until July 1, 2023, subject to the payment of amounts

1 into the County and Mass Transit District Fund, the Local
2 Government Tax Fund, the Build Illinois Fund, the McCormick
3 Place Expansion Project Fund, the Illinois Tax Increment Fund,
4 and the Tax Compliance and Administration Fund as provided in
5 this Section, the Department shall pay each month into the
6 Road Fund the amount estimated to represent 32% of the net
7 revenue realized from the taxes imposed on motor fuel and
8 gasohol. Beginning July 1, 2023 and until July 1, 2024,
9 subject to the payment of amounts into the County and Mass
10 Transit District Fund, the Local Government Tax Fund, the
11 Build Illinois Fund, the McCormick Place Expansion Project
12 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
13 and Administration Fund as provided in this Section, the
14 Department shall pay each month into the Road Fund the amount
15 estimated to represent 48% of the net revenue realized from
16 the taxes imposed on motor fuel and gasohol. Beginning July 1,
17 2024 and until July 1, 2026, subject to the payment of amounts
18 into the County and Mass Transit District Fund, the Local
19 Government Tax Fund, the Build Illinois Fund, the McCormick
20 Place Expansion Project Fund, the Illinois Tax Increment Fund,
21 and the Tax Compliance and Administration Fund as provided in
22 this Section, the Department shall pay each month into the
23 Road Fund the amount estimated to represent 64% of the net
24 revenue realized from the taxes imposed on motor fuel and
25 gasohol. Beginning on July 1, 2026 and until July 1, 2027,
26 subject to the payment of amounts into the County and Mass

1 Transit District Fund, the Local Government Tax Fund, the
2 Build Illinois Fund, the McCormick Place Expansion Project
3 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
4 and Administration Fund as provided in this Section, the
5 Department shall pay \$12,500,000 each month into the General
6 Revenue Fund before paying into the Public Transportation Fund
7 and the Downstate Public Transportation Fund the amount
8 estimated to represent 80% of the net revenue realized from
9 the taxes imposed on motor fuel and gasohol. On June 1, 2027,
10 subject to the payment of amounts into the County and Mass
11 Transit District Fund, the Local Government Tax Fund, the
12 Build Illinois Fund, the McCormick Place Expansion Project
13 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
14 and Administration Fund as provided in this Section, the
15 Department shall pay into the Road Fund \$20,000,000 of the net
16 revenue realized from the taxes imposed on motor fuel and
17 gasohol. Beginning on July 1, 2027, subject to the payment of
18 amounts into the County and Mass Transit District Fund, the
19 Local Government Tax Fund, the Build Illinois Fund, the
20 McCormick Place Expansion Project Fund, the Illinois Tax
21 Increment Fund, and the Tax Compliance and Administration Fund
22 as provided in this Section, the Department shall pay each
23 month into the Public Transportation Fund and the Downstate
24 Public Transportation Fund the amount estimated to represent
25 80% of the net revenue realized from the taxes imposed on motor
26 fuel and gasohol. Moneys shall be apportioned as follows: 85%

1 into the Public Transportation Fund and 15% into the Downstate
2 Public Transportation Fund. As used in this paragraph "motor
3 fuel" has the meaning given to that term in Section 1.1 of the
4 Motor Fuel Tax Law, and "gasohol" has the meaning given to that
5 term in Section 3-40 of the Use Tax Act.

6 Until July 1, 2025, of the remainder of the moneys
7 received by the Department pursuant to this Act, 75% thereof
8 shall be paid into the State treasury and 25% shall be reserved
9 in a special account and used only for the transfer to the
10 Common School Fund as part of the monthly transfer from the
11 General Revenue Fund in accordance with Section 8a of the
12 State Finance Act. Beginning July 1, 2025, of the remainder of
13 the moneys received by the Department pursuant to this Act,
14 75% shall be deposited into the General Revenue Fund and 25%
15 shall be deposited into the Common School Fund.

16 The Department may, upon separate written notice to a
17 taxpayer, require the taxpayer to prepare and file with the
18 Department on a form prescribed by the Department within not
19 less than 60 days after receipt of the notice an annual
20 information return for the tax year specified in the notice.
21 Such annual return to the Department shall include a statement
22 of gross receipts as shown by the retailer's last federal
23 income tax return. If the total receipts of the business as
24 reported in the federal income tax return do not agree with the
25 gross receipts reported to the Department of Revenue for the
26 same period, the retailer shall attach to his annual return a

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

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

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

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

26 The chief executive officer, proprietor, owner, or highest

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

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

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

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

23 For greater simplicity of administration, manufacturers,
24 importers and wholesalers whose products are sold at retail in
25 Illinois by numerous retailers, and who wish to do so, may
26 assume the responsibility for accounting and paying to the

1 Department all tax accruing under this Act with respect to
2 such sales, if the retailers who are affected do not make
3 written objection to the Department to this arrangement.

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

21 Any person engaged in the business of selling tangible
22 personal property at retail as a concessionaire or other type
23 of seller at the Illinois State Fair, county fairs, art shows,
24 flea markets, and similar exhibitions or events, or any
25 transient merchants, as defined by Section 2 of the Transient
26 Merchant Act of 1987, may be required to make a daily report of

1 the amount of such sales to the Department and to make a daily
2 payment of the full amount of tax due. The Department shall
3 impose this requirement when it finds that there is a
4 significant risk of loss of revenue to the State at such an
5 exhibition or event. Such a finding shall be based on evidence
6 that a substantial number of concessionaires or other sellers
7 who are not residents of Illinois will be engaging in the
8 business of selling tangible personal property at retail at
9 the exhibition or event, or other evidence of a significant
10 risk of loss of revenue to the State. The Department shall
11 notify concessionaires and other sellers affected by the
12 imposition of this requirement. In the absence of notification
13 by the Department, the concessionaires and other sellers shall
14 file their returns as otherwise required in this Section.

15 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;
16 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,
17 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.
18 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,
19 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,
20 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,
21 eff. 6-16-25; 104-457, eff. 6-1-26.)

22 ARTICLE 160

23 Section 160-5. The Service Use Tax Act is amended by
24 changing Section 9 as follows:

1 (35 ILCS 110/9)

2 (Text of Section before amendment by P.A. 104-457)

3 Sec. 9. Each serviceman required or authorized to collect
4 the tax herein imposed shall pay to the Department the amount
5 of such tax (except as otherwise provided) at the time when he
6 is required to file his return for the period during which such
7 tax was collected, less a discount of 2.1% prior to January 1,
8 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
9 year, whichever is greater, which is allowed to reimburse the
10 serviceman for expenses incurred in collecting the tax,
11 keeping records, preparing and filing returns, remitting the
12 tax, and supplying data to the Department on request.
13 Beginning with returns due on or after January 1, 2025, the
14 vendor's discount allowed in this Section, the Retailers'
15 Occupation Tax Act, the Service Occupation Tax Act, and the
16 Use Tax Act, including any local tax administered by the
17 Department and reported on the same return, shall not exceed
18 \$1,000 per month in the aggregate. When determining the
19 discount allowed under this Section, servicemen shall include
20 the amount of tax that would have been due at the 1% rate but
21 for the 0% rate imposed under Public Act 102-700. The discount
22 under this Section is not allowed for the 1.25% portion of
23 taxes paid on aviation fuel that is subject to the revenue use
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
25 discount allowed under this Section is allowed only for

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

11 Except as provided hereinafter in this Section, on or
12 before the twentieth day of each calendar month, such
13 serviceman shall file a return for the preceding calendar
14 month in accordance with reasonable Rules and Regulations to
15 be promulgated by the Department. Such return shall be filed
16 on a form prescribed by the Department and shall contain such
17 information as the Department may reasonably require. The
18 return shall include the gross receipts which were received
19 during the preceding calendar month or quarter on the
20 following items upon which tax would have been due but for the
21 0% rate imposed under Public Act 102-700: (i) food for human
22 consumption that is to be consumed off the premises where it is
23 sold (other than alcoholic beverages, food consisting of or
24 infused with adult use cannabis, soft drinks, and food that
25 has been prepared for immediate consumption); and (ii) food
26 prepared for immediate consumption and transferred incident to

1 a sale of service subject to this Act or the Service Occupation
2 Tax Act by an entity licensed under the Hospital Licensing
3 Act, the Nursing Home Care Act, the Assisted Living and Shared
4 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
5 Specialized Mental Health Rehabilitation Act of 2013, or the
6 Child Care Act of 1969, or an entity that holds a permit issued
7 pursuant to the Life Care Facilities Act. The return shall
8 also include the amount of tax that would have been due on the
9 items listed in the previous sentence but for the 0% rate
10 imposed under Public Act 102-700.

11 In the case of leases, except as otherwise provided in
12 this Act, the lessor, in collecting the tax, may collect for
13 each tax return period only the tax applicable to that part of
14 the selling price actually received during such tax return
15 period.

16 On and after January 1, 2018, with respect to servicemen
17 whose annual gross receipts average \$20,000 or more, all
18 returns required to be filed pursuant to this Act shall be
19 filed electronically. Servicemen who demonstrate that they do
20 not have access to the Internet or demonstrate hardship in
21 filing electronically may petition the Department to waive the
22 electronic filing requirement.

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. The

1 taxpayer shall also file a return with the Department for each
2 of the first 2 ~~two~~ months of each calendar quarter, on or
3 before the twentieth day of the following calendar month,
4 stating:

5 1. The name of the seller;

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

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

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

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

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

19 Each serviceman required or authorized to collect the tax
20 imposed by this Act on aviation fuel transferred as an
21 incident of a sale of service in this State during the
22 preceding calendar month shall, instead of reporting and
23 paying tax on aviation fuel as otherwise required by this
24 Section, report and pay such tax on a separate aviation fuel
25 tax return. The requirements related to the return shall be as
26 otherwise provided in this Section. Notwithstanding any other

1 provisions of this Act to the contrary, servicemen collecting
2 tax on aviation fuel shall file all aviation fuel tax returns
3 and shall make all aviation fuel tax payments by electronic
4 means in the manner and form required by the Department. For
5 purposes of this Section, "aviation fuel" means jet fuel and
6 aviation gasoline.

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

11 Notwithstanding any other provision of this Act to the
12 contrary, servicemen subject to tax on cannabis shall file all
13 cannabis tax returns and shall make all cannabis tax payments
14 by electronic means in the manner and form required by the
15 Department.

16 Beginning October 1, 1993, a taxpayer who has an average
17 monthly tax liability of \$150,000 or more shall make all
18 payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 1994, a taxpayer who has
20 an average monthly tax liability of \$100,000 or more shall
21 make all payments required by rules of the Department by
22 electronic funds transfer. Beginning October 1, 1995, a
23 taxpayer who has an average monthly tax liability of \$50,000
24 or more shall make all payments required by rules of the
25 Department by electronic funds transfer. Beginning October 1,
26 2000, a taxpayer who has an annual tax liability of \$200,000 or

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

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

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

23 All taxpayers required to make payment by electronic funds
24 transfer and any taxpayers authorized to voluntarily make
25 payments by electronic funds transfer shall make those
26 payments in the manner authorized by the Department.

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

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

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

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

24 Notwithstanding any other provision in this Act concerning
25 the time within which a serviceman may file his return, in the
26 case of any serviceman who ceases to engage in a kind of

1 business which makes him responsible for filing returns under
2 this Act, such serviceman shall file a final return under this
3 Act with the Department not more than one month after
4 discontinuing such business.

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

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

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

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

12 Beginning January 1, 1990, each month the Department shall
13 pay into the State and Local Tax Reform Fund, a special fund in
14 the State treasury, the net revenue realized for the preceding
15 month from the 1% tax imposed under this Act.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the State and Local Sales Tax Reform Fund 20% of the
18 net revenue realized for the preceding month from the 6.25%
19 general rate on transfers of tangible personal property, other
20 than (i) tangible personal property which is purchased outside
21 Illinois at retail from a retailer and which is titled or
22 registered by an agency of this State's government and (ii)
23 aviation fuel sold on or after December 1, 2019. This
24 exception for aviation fuel only applies for so long as the
25 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
26 47133 are binding on the State.

1 For aviation fuel sold on or after December 1, 2019, each
2 month the Department shall pay into the State Aviation Program
3 Fund 20% of the net revenue realized for the preceding month
4 from the 6.25% general rate on the selling price of aviation
5 fuel, less an amount estimated by the Department to be
6 required for refunds of the 20% portion of the tax on aviation
7 fuel under this Act, which amount shall be deposited into the
8 Aviation Fuel Sales Tax Refund Fund. The Department shall only
9 pay moneys into the State Aviation Program Fund and the
10 Aviation Fuel Sales Tax Refund Fund under this Act for so long
11 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133 are binding on the State.

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

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

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

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

13 Beginning July 1, 2015, of the remainder of the moneys
14 received by the Department under the Use Tax Act, this Act, the
15 Service Occupation Tax Act, and the Retailers' Occupation Tax
16 Act, each month the Department shall deposit \$500,000 into the
17 State Crime Laboratory Fund.

18 Of the remainder of the moneys received by the Department
19 pursuant to this Act, (a) 1.75% thereof shall be paid into the
20 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
21 and after July 1, 1989, 3.8% thereof shall be paid into the
22 Build Illinois Fund; provided, however, that if in any fiscal
23 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
24 may be, of the moneys received by the Department and required
25 to be paid into the Build Illinois Fund pursuant to Section 3
26 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax

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

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

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

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

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

1	2000	75,000,000
2	2001	80,000,000
3	2002	93,000,000
4	2003	99,000,000
5	2004	103,000,000
6	2005	108,000,000
7	2006	113,000,000
8	2007	119,000,000
9	2008	126,000,000
10	2009	132,000,000
11	2010	139,000,000
12	2011	146,000,000
13	2012	153,000,000
14	2013	161,000,000
15	2014	170,000,000
16	2015	179,000,000
17	2016	189,000,000
18	2017	199,000,000
19	2018	210,000,000
20	2019	221,000,000
21	2020	233,000,000
22	2021	300,000,000
23	2022	300,000,000
24	2023	300,000,000
25	2024	300,000,000
26	2025	300,000,000

1	2026	300,000,000
2	2027	375,000,000
3	2028	375,000,000
4	2029	375,000,000
5	2030	375,000,000
6	2031	375,000,000
7	2032	375,000,000
8	2033	375,000,000
9	2034	375,000,000
10	2035	375,000,000
11	2036	450,000,000

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

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

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

7 Subject to payment of amounts into the Capital Projects
8 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
9 and the McCormick Place Expansion Project Fund pursuant to the
10 preceding paragraphs or in any amendments thereto hereafter
11 enacted, for aviation fuel sold on or after December 1, 2019,
12 the Department shall each month deposit into the Aviation Fuel
13 Sales Tax Refund Fund an amount estimated by the Department to
14 be required for refunds of the 80% portion of the tax on
15 aviation fuel under this Act. The Department shall only
16 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
17 under this paragraph for so long as the revenue use
18 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
19 binding on the State.

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

1 price of tangible personal property.

2 Subject to payment of amounts into the Build Illinois
3 Fund, the McCormick Place Expansion Project Fund, the Illinois
4 Tax Increment Fund, pursuant to the preceding paragraphs or in
5 any amendments to this Section hereafter enacted, beginning on
6 the first day of the first calendar month to occur on or after
7 August 26, 2014 (the effective date of Public Act 98-1098),
8 each month, from the collections made under Section 9 of the
9 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of
10 the Service Occupation Tax Act, and Section 3 of the
11 Retailers' Occupation Tax Act, the Department shall pay into
12 the Tax Compliance and Administration Fund, to be used,
13 subject to appropriation, to fund additional auditors and
14 compliance personnel at the Department of Revenue, an amount
15 equal to 1/12 of 5% of 80% of the cash receipts collected
16 during the preceding fiscal year by the Audit Bureau of the
17 Department under the Use Tax Act, the Service Use Tax Act, the
18 Service Occupation Tax Act, the Retailers' Occupation Tax Act,
19 and associated local occupation and use taxes administered by
20 the Department.

21 Subject to payments of amounts into the Build Illinois
22 Fund, the McCormick Place Expansion Project Fund, the Illinois
23 Tax Increment Fund, and the Tax Compliance and Administration
24 Fund as provided in this Section, beginning on July 1, 2018 the
25 Department shall pay each month into the Downstate Public
26 Transportation Fund the moneys required to be so paid under

1 Section 2-3 of the Downstate Public Transportation Act.

2 Subject to successful execution and delivery of a
3 public-private agreement between the public agency and private
4 entity and completion of the civic build, beginning on July 1,
5 2023, of the remainder of the moneys received by the
6 Department under the Use Tax Act, the Service Use Tax Act, the
7 Service Occupation Tax Act, and this Act, the Department shall
8 deposit the following specified deposits in the aggregate from
9 collections under the Use Tax Act, the Service Use Tax Act, the
10 Service Occupation Tax Act, and the Retailers' Occupation Tax
11 Act, as required under Section 8.25g of the State Finance Act
12 for distribution consistent with the Public-Private
13 Partnership for Civic and Transit Infrastructure Project Act.
14 The moneys received by the Department pursuant to this Act and
15 required to be deposited into the Civic and Transit
16 Infrastructure Fund are subject to the pledge, claim, and
17 charge set forth in Section 25-55 of the Public-Private
18 Partnership for Civic and Transit Infrastructure Project Act.
19 As used in this paragraph, "civic build", "private entity",
20 "public-private agreement", and "public agency" have the
21 meanings provided in Section 25-10 of the Public-Private
22 Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024	\$200,000,000
2025	\$206,000,000
2026	\$212,200,000

1	2027	.....	\$218,500,000
2	2028	.....	\$225,100,000
3	2029	.....	\$288,700,000
4	2030	.....	\$298,900,000
5	2031	.....	\$309,300,000
6	2032	.....	\$320,100,000
7	2033	.....	\$331,200,000
8	2034	.....	\$341,200,000
9	2035	.....	\$351,400,000
10	2036	.....	\$361,900,000
11	2037	.....	\$372,800,000
12	2038	.....	\$384,000,000
13	2039	.....	\$395,500,000
14	2040	.....	\$407,400,000
15	2041	.....	\$419,600,000
16	2042	.....	\$432,200,000
17	2043	.....	\$445,100,000

18 Beginning July 1, 2021 and until July 1, 2022, subject to
19 the payment of amounts into the State and Local Sales Tax
20 Reform Fund, the Build Illinois Fund, the McCormick Place
21 Expansion Project Fund, the Energy Infrastructure Fund, and
22 the Tax Compliance and Administration Fund as provided in this
23 Section, the Department shall pay each month into the Road
24 Fund the amount estimated to represent 16% of the net revenue
25 realized from the taxes imposed on motor fuel and gasohol.
26 Beginning July 1, 2022 and until July 1, 2023, subject to the

1 payment of amounts into the State and Local Sales Tax Reform
2 Fund, the Build Illinois Fund, the McCormick Place Expansion
3 Project Fund, the Illinois Tax Increment Fund, and the Tax
4 Compliance and Administration Fund as provided in this
5 Section, the Department shall pay each month into the Road
6 Fund the amount estimated to represent 32% of the net revenue
7 realized from the taxes imposed on motor fuel and gasohol.
8 Beginning July 1, 2023 and until July 1, 2024, subject to the
9 payment of amounts into the State and Local Sales Tax Reform
10 Fund, the Build Illinois Fund, the McCormick Place Expansion
11 Project Fund, the Illinois Tax Increment Fund, and the Tax
12 Compliance and Administration Fund as provided in this
13 Section, the Department shall pay each month into the Road
14 Fund the amount estimated to represent 48% of the net revenue
15 realized from the taxes imposed on motor fuel and gasohol.
16 Beginning July 1, 2024 and until July 1, 2026, subject to the
17 payment of amounts into the State and Local Sales Tax Reform
18 Fund, the Build Illinois Fund, the McCormick Place Expansion
19 Project Fund, the Illinois Tax Increment Fund, and the Tax
20 Compliance and Administration Fund as provided in this
21 Section, the Department shall pay each month into the Road
22 Fund the amount estimated to represent 64% of the net revenue
23 realized from the taxes imposed on motor fuel and gasohol.
24 Beginning on July 1, 2026, subject to the payment of amounts
25 into the State and Local Sales Tax Reform Fund, the Build
26 Illinois Fund, the McCormick Place Expansion Project Fund, the

1 Illinois Tax Increment Fund, and the Tax Compliance and
2 Administration Fund as provided in this Section, the
3 Department shall pay each month into the Road Fund the amount
4 estimated to represent 80% of the net revenue realized from
5 the taxes imposed on motor fuel and gasohol. As used in this
6 paragraph "motor fuel" has the meaning given to that term in
7 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
8 meaning given to that term in Section 3-40 of the Use Tax Act.

9 Until July 1, 2025, of the remainder of the moneys
10 received by the Department pursuant to this Act, 75% thereof
11 shall be paid into the General Revenue Fund of the State
12 treasury and 25% shall be reserved in a special account and
13 used only for the transfer to the Common School Fund as part of
14 the monthly transfer from the General Revenue Fund in
15 accordance with Section 8a of the State Finance Act. Beginning
16 July 1, 2025, of the remainder of the moneys received by the
17 Department pursuant to this Act, 75% shall be deposited into
18 the General Revenue Fund and 25% shall be deposited into the
19 Common School Fund.

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

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

5 (Source: P.A. 103-363, eff. 7-28-23; 103-592, Article 75,
6 Section 75-10, eff. 1-1-25; 103-592, Article 110, Section
7 110-10, eff. 6-7-24; 104-6, Article 5, Section 5-15, eff.
8 6-16-25; 104-6, Article 35, Section 35-25, eff. 6-16-25;
9 104-417, eff. 8-15-25; revised 9-10-25.)

10 (Text of Section after amendment by P.A. 104-457)

11 Sec. 9. Each serviceman required or authorized to collect
12 the tax herein imposed shall pay to the Department the amount
13 of such tax (except as otherwise provided) at the time when he
14 is required to file his return for the period during which such
15 tax was collected, less a discount of 2.1% prior to January 1,
16 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
17 year, whichever is greater, which is allowed to reimburse the
18 serviceman for expenses incurred in collecting the tax,
19 keeping records, preparing and filing returns, remitting the
20 tax, and supplying data to the Department on request.
21 Beginning with returns due on or after January 1, 2025, the
22 vendor's discount allowed in this Section, the Retailers'
23 Occupation Tax Act, the Service Occupation Tax Act, and the
24 Use Tax Act, including any local tax administered by the
25 Department and reported on the same return, shall not exceed

1 \$1,000 per month in the aggregate. When determining the
2 discount allowed under this Section, servicemen shall include
3 the amount of tax that would have been due at the 1% rate but
4 for the 0% rate imposed under Public Act 102-700. The discount
5 under this Section is not allowed for the 1.25% portion of
6 taxes paid on aviation fuel that is subject to the revenue use
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
8 discount allowed under this Section is allowed only for
9 returns that are filed in the manner required by this Act. The
10 Department may disallow the discount for servicemen whose
11 certificate of registration is revoked at the time the return
12 is filed, but only if the Department's decision to revoke the
13 certificate of registration has become final. A serviceman
14 need not remit that part of any tax collected by him to the
15 extent that he is required to pay and does pay the tax imposed
16 by the Service Occupation Tax Act with respect to his sale of
17 service involving the incidental transfer by him of the same
18 property.

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

1 during the preceding calendar month or quarter on the
2 following items upon which tax would have been due but for the
3 0% rate imposed under Public Act 102-700: (i) food for human
4 consumption that is to be consumed off the premises where it is
5 sold (other than alcoholic beverages, food consisting of or
6 infused with adult use cannabis, soft drinks, and food that
7 has been prepared for immediate consumption); and (ii) food
8 prepared for immediate consumption and transferred incident to
9 a sale of service subject to this Act or the Service Occupation
10 Tax Act by an entity licensed under the Hospital Licensing
11 Act, the Nursing Home Care Act, the Assisted Living and Shared
12 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
13 Specialized Mental Health Rehabilitation Act of 2013, or the
14 Child Care Act of 1969, or an entity that holds a permit issued
15 pursuant to the Life Care Facilities Act. The return shall
16 also include the amount of tax that would have been due on the
17 items listed in the previous sentence but for the 0% rate
18 imposed under Public Act 102-700.

19 In the case of leases, except as otherwise provided in
20 this Act, the lessor, in collecting the tax, may collect for
21 each tax return period only the tax applicable to that part of
22 the selling price actually received during such tax return
23 period.

24 On and after January 1, 2018, with respect to servicemen
25 whose annual gross receipts average \$20,000 or more, all
26 returns required to be filed pursuant to this Act shall be

1 filed electronically. Servicemen who demonstrate that they do
2 not have access to the Internet or demonstrate hardship in
3 filing electronically may petition the Department to waive the
4 electronic filing requirement.

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. The
9 taxpayer shall also file a return with the Department for each
10 of the first 2 ~~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 from
15 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 this
22 Act;

23 5. The amount of tax due;

24 5-5. The signature of the taxpayer; and

25 6. Such other reasonable information as the Department
26 may require.

1 Each serviceman required or authorized to collect the tax
2 imposed by this Act on aviation fuel transferred as an
3 incident of a sale of service in this State during the
4 preceding calendar month shall, instead of reporting and
5 paying tax on aviation fuel as otherwise required by this
6 Section, report and pay such tax on a separate aviation fuel
7 tax return. The requirements related to the return shall be as
8 otherwise provided in this Section. Notwithstanding any other
9 provisions of this Act to the contrary, servicemen collecting
10 tax on aviation fuel shall file all aviation fuel tax returns
11 and shall make all aviation fuel tax payments by electronic
12 means in the manner and form required by the Department. For
13 purposes of this Section, "aviation fuel" means jet fuel and
14 aviation gasoline.

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 be
18 due on the return shall be deemed assessed.

19 Notwithstanding any other provision of this Act to the
20 contrary, servicemen subject to tax on cannabis shall file all
21 cannabis tax returns and shall make all cannabis tax payments
22 by electronic means in the manner and form required by the
23 Department.

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

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

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

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

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

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

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

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

23 If the serviceman is otherwise required to file a monthly
24 or quarterly return and if the serviceman's average monthly
25 tax liability to the Department does not exceed \$50, the
26 Department may authorize his returns to be filed on an annual

1 basis, with the return for a given year being due by January 20
2 of the following year.

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

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

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

1 previously have remitted the amount of such tax to the
2 Department, he shall be entitled to no deduction hereunder
3 upon refunding such tax to the purchaser.

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

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

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

20 Beginning January 1, 1990, each month the Department shall
21 pay into the State and Local Tax Reform Fund, a special fund in
22 the State treasury, the net revenue realized for the preceding
23 month from the 1% tax imposed under this Act.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund 20% of the
26 net revenue realized for the preceding month from the 6.25%

1 general rate on transfers of tangible personal property, other
2 than (i) tangible personal property which is purchased outside
3 Illinois at retail from a retailer and which is titled or
4 registered by an agency of this State's government and (ii)
5 aviation fuel sold on or after December 1, 2019. This
6 exception for aviation fuel only applies for so long as the
7 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
8 47133 are binding on the State.

9 For aviation fuel sold on or after December 1, 2019, each
10 month the Department shall pay into the State Aviation Program
11 Fund 20% of the net revenue realized for the preceding month
12 from the 6.25% general rate on the selling price of aviation
13 fuel, less an amount estimated by the Department to be
14 required for refunds of the 20% portion of the tax on aviation
15 fuel under this Act, which amount shall be deposited into the
16 Aviation Fuel Sales Tax Refund Fund. The Department shall only
17 pay moneys into the State Aviation Program Fund and the
18 Aviation Fuel Sales Tax Refund Fund under this Act for so long
19 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133 are binding on the State.

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

25 Beginning October 1, 2009, each month the Department shall
26 pay into the Capital Projects Fund an amount that is equal to

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

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

21 Beginning July 1, 2015, of the remainder of the moneys
22 received by the Department under the Use Tax Act, this Act, the
23 Service Occupation Tax Act, and the Retailers' Occupation Tax
24 Act, each month the Department shall deposit \$500,000 into the
25 State Crime Laboratory Fund.

26 Of the remainder of the moneys received by the Department

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

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

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

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

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

1	2018	210,000,000
2	2019	221,000,000
3	2020	233,000,000
4	2021	300,000,000
5	2022	300,000,000
6	2023	300,000,000
7	2024	300,000,000
8	2025	300,000,000
9	2026	300,000,000
10	2027	375,000,000
11	2028	375,000,000
12	2029	375,000,000
13	2030	375,000,000
14	2031	375,000,000
15	2032	375,000,000
16	2033	375,000,000
17	2034	375,000,000
18	2035	375,000,000
19	2036	450,000,000

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

1 but not after fiscal year 2060.

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

15 Subject to payment of amounts into the Capital Projects
16 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, for aviation fuel sold on or after December 1, 2019,
20 the Department shall each month deposit into the Aviation Fuel
21 Sales Tax Refund Fund an amount estimated by the Department to
22 be required for refunds of the 80% portion of the tax on
23 aviation fuel under this Act. The Department shall only
24 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
25 under this paragraph for so long as the revenue use
26 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are

1 binding on the State.

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

10 Subject to payment of amounts into the Build Illinois
11 Fund, the McCormick Place Expansion Project Fund, the Illinois
12 Tax Increment Fund, pursuant to the preceding paragraphs or in
13 any amendments to this Section hereafter enacted, beginning on
14 the first day of the first calendar month to occur on or after
15 August 26, 2014 (the effective date of Public Act 98-1098),
16 each month, from the collections made under Section 9 of the
17 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of
18 the Service Occupation Tax Act, and Section 3 of the
19 Retailers' Occupation Tax Act, the Department shall pay into
20 the Tax Compliance and Administration Fund, to be used,
21 subject to appropriation, to fund additional auditors and
22 compliance personnel at the Department of Revenue, an amount
23 equal to 1/12 of 5% of 80% of the cash receipts collected
24 during the preceding fiscal year by the Audit Bureau of the
25 Department under the Use Tax Act, the Service Use Tax Act, the
26 Service Occupation Tax Act, the Retailers' Occupation Tax Act,

1 and associated local occupation and use taxes administered by
2 the Department.

3 Subject to payments of amounts into the Build Illinois
4 Fund, the McCormick Place Expansion Project Fund, the Illinois
5 Tax Increment Fund, and the Tax Compliance and Administration
6 Fund as provided in this Section, beginning on July 1, 2018 the
7 Department shall pay each month into the Downstate Public
8 Transportation Fund the moneys required to be so paid under
9 Section 2-3 of the Downstate Public Transportation Act.

10 Subject to successful execution and delivery of a
11 public-private agreement between the public agency and private
12 entity and completion of the civic build, beginning on July 1,
13 2023, of the remainder of the moneys received by the
14 Department under the Use Tax Act, the Service Use Tax Act, the
15 Service Occupation Tax Act, and this Act, the Department shall
16 deposit the following specified deposits in the aggregate from
17 collections under the Use Tax Act, the Service Use Tax Act, the
18 Service Occupation Tax Act, and the Retailers' Occupation Tax
19 Act, as required under Section 8.25g of the State Finance Act
20 for distribution consistent with the Public-Private
21 Partnership for Civic and Transit Infrastructure Project Act.
22 The moneys received by the Department pursuant to this Act and
23 required to be deposited into the Civic and Transit
24 Infrastructure Fund are subject to the pledge, claim, and
25 charge set forth in Section 25-55 of the Public-Private
26 Partnership for Civic and Transit Infrastructure Project Act.

1 As used in this paragraph, "civic build", "private entity",
2 "public-private agreement", and "public agency" have the
3 meanings provided in Section 25-10 of the Public-Private
4 Partnership for Civic and Transit Infrastructure Project Act.

5	Fiscal Year.....	Total Deposit
6	2024	\$200,000,000
7	2025	\$206,000,000
8	2026	\$212,200,000
9	2027	\$218,500,000
10	2028	\$225,100,000
11	2029	\$288,700,000
12	2030	\$298,900,000
13	2031	\$309,300,000
14	2032	\$320,100,000
15	2033	\$331,200,000
16	2034	\$341,200,000
17	2035	\$351,400,000
18	2036	\$361,900,000
19	2037	\$372,800,000
20	2038	\$384,000,000
21	2039	\$395,500,000
22	2040	\$407,400,000
23	2041	\$419,600,000
24	2042	\$432,200,000
25	2043	\$445,100,000

26 Beginning July 1, 2021 and until July 1, 2022, subject to

1 the payment of amounts into the State and Local Sales Tax
2 Reform Fund, the Build Illinois Fund, the McCormick Place
3 Expansion Project Fund, the Energy Infrastructure Fund, and
4 the Tax Compliance and Administration Fund as provided in this
5 Section, the Department shall pay each month into the Road
6 Fund the amount estimated to represent 16% of the net revenue
7 realized from the taxes imposed on motor fuel and gasohol.
8 Beginning July 1, 2022 and until July 1, 2023, subject to the
9 payment of amounts into the State and Local Sales Tax Reform
10 Fund, the Build Illinois Fund, the McCormick Place Expansion
11 Project Fund, the Illinois Tax Increment Fund, and the Tax
12 Compliance and Administration Fund as provided in this
13 Section, the Department shall pay each month into the Road
14 Fund the amount estimated to represent 32% of the net revenue
15 realized from the taxes imposed on motor fuel and gasohol.
16 Beginning July 1, 2023 and until July 1, 2024, subject to the
17 payment of amounts into the State and Local Sales Tax Reform
18 Fund, the Build Illinois Fund, the McCormick Place Expansion
19 Project Fund, the Illinois Tax Increment Fund, and the Tax
20 Compliance and Administration Fund as provided in this
21 Section, the Department shall pay each month into the Road
22 Fund the amount estimated to represent 48% of the net revenue
23 realized from the taxes imposed on motor fuel and gasohol.
24 Beginning July 1, 2024 and until July 1, 2026, subject to the
25 payment of amounts into the State and Local Sales Tax Reform
26 Fund, the Build Illinois Fund, the McCormick Place Expansion

1 Project Fund, the Illinois Tax Increment Fund, and the Tax
2 Compliance and Administration Fund as provided in this
3 Section, the Department shall pay each month into the Road
4 Fund the amount estimated to represent 64% of the net revenue
5 realized from the taxes imposed on motor fuel and gasohol.
6 Beginning on July 1, 2026, subject to the payment of amounts
7 into the State and Local Sales Tax Reform Fund, the Build
8 Illinois Fund, the McCormick Place Expansion Project Fund, the
9 Illinois Tax Increment Fund, and the Tax Compliance and
10 Administration Fund as provided in this Section, the
11 Department shall pay each month into the Public Transportation
12 Fund and the Downstate Public Transportation Fund the amount
13 estimated to represent 80% of the net revenue realized from
14 the taxes imposed on motor fuel and gasohol. Those moneys
15 shall be apportioned as follows: 85% into the Public
16 Transportation Fund and 15% into the Downstate Public
17 Transportation Fund. As used in this paragraph "motor fuel"
18 has the meaning given to that term in Section 1.1 of the Motor
19 Fuel Tax Law, and "gasohol" has the meaning given to that term
20 in Section 3-40 of the Use Tax Act.

21 Until July 1, 2025, of the remainder of the moneys
22 received by the Department pursuant to this Act, 75% thereof
23 shall be paid into the General Revenue Fund of the State
24 treasury and 25% shall be reserved in a special account and
25 used only for the transfer to the Common School Fund as part of
26 the monthly transfer from the General Revenue Fund in

1 accordance with Section 8a of the State Finance Act. Beginning
2 July 1, 2025, of the remainder of the moneys received by the
3 Department pursuant to this Act, 75% shall be deposited into
4 the General Revenue Fund and 25% shall be deposited into the
5 Common School Fund.

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

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

17 (Source: P.A. 103-363, eff. 7-28-23; 103-592, Article 75,
18 Section 75-10, eff. 1-1-25; 103-592, Article 110, Section
19 110-10, eff. 6-7-24; 104-6, Article 5, Section 5-15, eff.
20 6-16-25; 104-6, Article 35, Section 35-25, eff. 6-16-25;
21 104-417, eff. 8-15-25; 104-457, eff. 6-1-26; revised 1-12-26.)

22 ARTICLE 805

23 Section 805-5. The Illinois Municipal Code is amended by
24 changing Sections 8-3-14b and 8-3-14c as follows:

1 (65 ILCS 5/8-3-14b)

2 (Section scheduled to be repealed on January 1, 2027)

3 Sec. 8-3-14b. Municipal hotel operators' tax in DuPage
4 County. For any municipality located within DuPage County that
5 belongs to a not-for-profit organization headquartered in
6 DuPage County that is recognized by the Department of Commerce
7 and Economic Opportunity as a certified local tourism and
8 convention bureau entitled to receive State tourism grant
9 funds, not less than 75% of the amounts collected pursuant to
10 Section 8-3-14 shall be expended by the municipality to
11 promote tourism and conventions within that municipality or
12 otherwise to attract nonresident overnight visitors to the
13 municipality, and the remainder of the amounts collected by a
14 municipality within DuPage County pursuant to Section 8-3-14
15 may be expended by the municipality for economic development
16 or capital infrastructure.

17 This Section is repealed on January 1, 2029 ~~2027~~.

18 (Source: P.A. 102-699, eff. 4-19-22; 103-601, eff. 7-1-24.)

19 (65 ILCS 5/8-3-14c)

20 (Section scheduled to be repealed on January 1, 2027)

21 Sec. 8-3-14c. Municipal hotel use tax in DuPage County.
22 For any municipality located within DuPage County that belongs
23 to a not-for-profit organization headquartered in DuPage
24 County that is recognized by the Department of Commerce and

1 Economic Opportunity as a certified local tourism and
2 convention bureau entitled to receive State tourism grant
3 funds, not less than 75% of the amounts collected pursuant to
4 Section 8-3-14a shall be expended by the municipality to
5 promote tourism and conventions within that municipality or
6 otherwise to attract nonresident overnight visitors to the
7 municipality, and the remainder of the amounts collected by a
8 municipality within DuPage County pursuant to Section 8-3-14a
9 may be expended by the municipality for economic development
10 or capital infrastructure.

11 This Section is repealed on January 1, 2029 ~~2027~~.
12 (Source: P.A. 102-699, eff. 4-19-22; 103-601, eff. 7-1-24.)

13 ARTICLE 810

14 Section 810-5. The Illinois Housing Development Act is
15 amended by changing Section 7.28 as follows:

16 (20 ILCS 3805/7.28)

17 Sec. 7.28. Tax credit for donation to sponsors. The
18 Authority may administer and adopt rules for an affordable
19 housing tax donation credit program to provide tax credits for
20 donations as set forth in this Section.

21 (a) In this Section:

22 "Administrative housing agency" means either the Authority
23 or an agency of the City of Chicago.

1 "Affordable housing project" means either:

2 (1) a rental project in which at least 25% of the units
3 have rents (including tenant-paid heat) that do not
4 exceed, on a monthly basis, maximum gross rent figures, as
5 published by the Authority, that are:

6 (i) based on data published annually by the U.S.
7 Department of Housing and Urban Development;

8 (ii) based on the annual income of households
9 earning 60% of the area median income;

10 (iii) computed using a 30% of gross monthly income
11 standard; and

12 (iv) adjusted for unit size and at least 25% of the
13 units are occupied by persons and families whose
14 incomes do not exceed 60% of the median family income
15 for the geographic area in which the residential unit
16 is located; or

17 (2) a unit for sale to homebuyers whose gross
18 household income is at or below (A) 60% of the area median
19 income (for taxable years beginning prior to January 1,
20 2022) or (B) 120% of the area median income (for taxable
21 years beginning on or after January 1, 2022) and who pay no
22 more than 30% of their gross household income for mortgage
23 principal, interest, property taxes, and property
24 insurance (PITI).

25 "Donation" means money, securities, or real or personal
26 property that is donated to a not-for-profit sponsor that is

1 used solely for costs associated with either (i) purchasing,
2 constructing, or rehabilitating an affordable housing project
3 in this State, (ii) an employer-assisted housing project in
4 this State, (iii) general operating support, or (iv) technical
5 assistance as defined by this Section.

6 "Employer-assisted housing project" means either
7 down-payment assistance, reduced-interest mortgages, mortgage
8 guarantee programs, rental subsidies, or individual
9 development account savings plans that are provided by
10 employers to employees to assist in securing affordable
11 housing near the workplace, that are restricted to housing
12 near the workplace, and that are restricted to employees whose
13 gross household income is at or below 120% of the area median
14 income.

15 "General operating support" means any cost incurred by a
16 sponsor that is a part of its general program costs and is not
17 limited to costs directly incurred by the affordable housing
18 project.

19 "Geographical area" means the metropolitan area or county
20 designated as an area by the federal Department of Housing and
21 Urban Development under Section 8 of the United States Housing
22 Act of 1937, as amended, for purposes of determining fair
23 market rental rates.

24 "Median income" means the incomes that are determined by
25 the federal Department of Housing and Urban Development
26 guidelines and adjusted for family size.

1 "Project" means an affordable housing project, an
2 employer-assisted housing project, general operating support,
3 or technical assistance.

4 "Sponsor" means a not-for-profit organization that (i) is
5 organized as a not-for-profit organization under the laws of
6 this State or another state and (1) for an affordable housing
7 project, has as one of its purposes the development of
8 affordable housing; (2) for an employer-assisted housing
9 project, has as one of its purposes home ownership education;
10 and (3) for a technical assistance project, has as one of its
11 purposes either the development of affordable housing or home
12 ownership education; (ii) is organized for the purpose of
13 constructing or rehabilitating affordable housing units and
14 has been issued a ruling from the Internal Revenue Service of
15 the United States Department of the Treasury that the
16 organization is exempt from income taxation under provisions
17 of the Internal Revenue Code; or (iii) is an organization
18 designated as a community development corporation by the
19 United States government under Title VII of the Economic
20 Opportunity Act of 1964.

21 "Tax credit" means a tax credit allowed under Section 214
22 of the Illinois Income Tax Act.

23 "Technical assistance" means any cost incurred by a
24 sponsor for project planning, assistance with applying for
25 financing, or counseling services provided to prospective
26 homebuyers.

1 (b) A sponsor must apply to an administrative housing
2 agency for approval of the project. The administrative housing
3 agency must reserve a specific amount of tax credits for each
4 approved project. Tax credits for general operating support
5 can only be reserved as part of a reservation of tax credits
6 for an affordable housing project, an employer-assisted
7 housing project, or technical assistance. No tax credits shall
8 be allowed for a project without a reservation of such tax
9 credits by an administrative housing agency for that project.

10 (c) The Authority must adopt rules establishing criteria
11 for eligible costs and donations, issuing and verifying tax
12 credits, and selecting projects that are eligible for a tax
13 credit.

14 (d) Tax credits for employer-assisted housing projects are
15 limited to that pool of tax credits that have been set aside
16 for employer-assisted housing. Tax credits for general
17 operating support are limited to 10% of the total tax credit
18 reservation for the related project (other than general
19 operating support) and are also limited to that pool of tax
20 credits that have been set aside for general operating
21 support. Tax credits for technical assistance are limited to
22 that pool of tax credits that have been set aside for technical
23 assistance.

24 (e) The amount of tax credits reserved by the
25 administrative housing agency for an approved project is
26 limited to \$32,850,352 in State fiscal years 2022 and 2023 and

1 shall increase by 5% each fiscal year thereafter through
2 fiscal year 2026. Beginning in State fiscal year 2027, the
3 amount of tax credits reserved by the administrative housing
4 agency for an approved project is limited to \$41,831,227 in
5 State fiscal year 2027 and shall increase by 10% each fiscal
6 year thereafter. The City of Chicago shall receive 24.5% of
7 total tax credits authorized for each fiscal year. The
8 Authority shall receive the balance of the tax credits
9 authorized for each fiscal year. The tax credits may be used
10 anywhere in this State. The tax credits have the following
11 set-asides:

12 (1) for employer-assisted housing projects, \$2
13 million; and

14 (2) for general operating support and technical
15 assistance, \$1 million.

16 The balance of the funds must be used for affordable
17 housing projects. During the first 9 months of a fiscal year,
18 if an administrative housing agency is unable to reserve the
19 tax credits set aside for the purposes described in subsection
20 (e), the administrative housing agency may reserve the tax
21 credits for any approved projects.

22 (f) The administrative housing agency that reserves tax
23 credits for an affordable housing project must record against
24 the land upon which the affordable housing project is located
25 an instrument to assure that the property maintains its
26 affordable housing compliance for a minimum of 10 years. The

1 Authority has flexibility to assure that the instrument does
2 not cause undue hardship on homeowners.

3 (Source: P.A. 102-175, eff. 7-29-21.)

4 Section 810-10. The Illinois Income Tax Act is amended by
5 changing Section 214 as follows:

6 (35 ILCS 5/214)

7 Sec. 214. Tax credit for affordable housing donations.

8 (a) Beginning with taxable years ending on or after
9 December 31, 2001 and until the taxable year ending on
10 December 31, 2036, ~~December 31, 2026~~, a taxpayer who makes a
11 donation under Section 7.28 of the Illinois Housing
12 Development Act is entitled to a credit against the tax
13 imposed by subsections (a) and (b) of Section 201 in an amount
14 equal to 50% of the value of the donation. For taxable years
15 ending before December 31, 2023, partners, shareholders of
16 subchapter S corporations, and owners of limited liability
17 companies (if the limited liability company is treated as a
18 partnership for purposes of federal and State income taxation)
19 are entitled to a credit under this Section to be determined in
20 accordance with the determination of income and distributive
21 share of income under Sections 702 and 703 and subchapter S of
22 the Internal Revenue Code. For taxable years ending on or
23 after December 31, 2023, partners and shareholders of
24 subchapter S corporations are entitled to a credit under this

1 Section as provided in Section 251. Persons or entities not
2 subject to the tax imposed by subsections (a) and (b) of
3 Section 201 and who make a donation under Section 7.28 of the
4 Illinois Housing Development Act are entitled to a credit as
5 described in this subsection and may transfer that credit as
6 described in subsection (c).

7 (b) If the amount of the credit exceeds the tax liability
8 for the year, the excess may be carried forward and applied to
9 the tax liability of the 5 taxable years following the excess
10 credit year. The tax credit shall be applied to the earliest
11 year for which there is a tax liability. If there are credits
12 for more than one year that are available to offset a
13 liability, the earlier credit shall be applied first.

14 (c) The transfer of the tax credit allowed under this
15 Section may be made (i) to the purchaser of land that has been
16 designated solely for affordable housing projects in
17 accordance with the Illinois Housing Development Act or (ii)
18 to another donor who has also made a donation in accordance
19 with Section 7.28 of the Illinois Housing Development Act.

20 (d) A taxpayer claiming the credit provided by this
21 Section must maintain and record any information that the
22 Department may require by regulation regarding the project for
23 which the credit is claimed. When claiming the credit provided
24 by this Section, the taxpayer must provide information
25 regarding the taxpayer's donation to the project under the
26 Illinois Housing Development Act.

1 (Source: P.A. 102-16, eff. 6-17-21; 102-175, eff. 7-29-21;
2 103-396, eff. 1-1-24.)

3 ARTICLE 815

4 Section 815-5. The Illinois Income Tax Act is amended by
5 changing Section 222 as follows:

6 (35 ILCS 5/222)

7 Sec. 222. Live theater production credit.

8 (a) For tax years beginning on or after January 1, 2012 and
9 beginning prior to January 1, 2039, ~~January 1, 2027,~~ a
10 taxpayer who has received a tax credit award under the Live
11 Theater Production Tax Credit Act for a long-run production, a
12 pre-Broadway production, or a commercial Broadway touring show
13 is entitled to a credit against the taxes imposed under
14 subsections (a) and (b) of Section 201 of this Act in an amount
15 determined under that Act by the Department of Commerce and
16 Economic Opportunity.

17 (b) For taxable years ending before December 31, 2023, if
18 the taxpayer is a partnership, limited liability partnership,
19 limited liability company, or Subchapter S corporation, the
20 tax credit award is allowed to the partners, unit holders, or
21 shareholders in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code. For taxable

1 years ending on or after December 31, 2023, if the taxpayer is
2 a partnership or Subchapter S corporation, then the provisions
3 of Section 251 apply.

4 (c) A sale, assignment, or transfer of the tax credit
5 award may be made by the taxpayer earning the credit within one
6 year after the credit is awarded in accordance with rules
7 adopted by the Department of Commerce and Economic
8 Opportunity.

9 (d) The Department of Revenue, in cooperation with the
10 Department of Commerce and Economic Opportunity, shall adopt
11 rules to enforce and administer the provisions of this
12 Section.

13 (e) The tax credit award may not be carried back. If the
14 amount of the credit exceeds the tax liability for the year,
15 the excess may be carried forward and applied to the tax
16 liability of the 5 tax years following the excess credit year.
17 The tax credit award shall be applied to the earliest year for
18 which there is a tax liability. If there are credits from more
19 than one tax year that are available to offset liability, the
20 earlier credit shall be applied first. In no event may a credit
21 under this Section reduce the taxpayer's liability to less
22 than zero.

23 (Source: P.A. 102-16, eff. 6-17-21; 103-396, eff. 1-1-24;
24 103-592, eff. 6-7-24.)

25 Section 815-10. The Live Theater Production Tax Credit Act

1 is amended by changing Sections 10-10 and 10-20 as follows:

2 (35 ILCS 17/10-20)

3 Sec. 10-20. Tax credit award. Subject to the conditions
4 set forth in this Act, an applicant is entitled to a tax credit
5 award as approved by the Department for qualifying Illinois
6 labor expenditures and Illinois production spending for each
7 tax year in which the applicant is awarded an accredited
8 theater production certificate issued by the Department. The
9 amount of tax credits awarded pursuant to this Act shall not
10 exceed \$2,000,000 in any State fiscal year ending on or before
11 June 30, 2022. The amount of tax credits awarded pursuant to
12 this Act for the State fiscal year ending on June 30, 2023 or
13 the State fiscal year ending on June 30, 2024 shall not exceed
14 \$4,000,000. For the State fiscal year ending on June 30, 2023
15 and the State fiscal year ending on June 30, 2024, no more than
16 \$2,000,000 in credits may be awarded in either of those fiscal
17 years to accredited theater productions that are not
18 commercial Broadway touring shows, and no more than \$2,000,000
19 in credits may be awarded in either of those fiscal years to
20 commercial Broadway touring shows. For State fiscal years
21 ending on or after June 30, 2025, the amount of tax credits
22 awarded under this Act shall not exceed \$6,000,000, with no
23 more than \$2,000,000 in credits awarded for long-run
24 productions and pre-Broadway productions, no more than
25 \$2,000,000 in credits awarded for commercial Broadway touring

1 shows, and no more than \$2,000,000 in credits awarded for
2 non-profit theater productions. If, in any State fiscal year,
3 less than \$2,000,000 in credits under this Act are awarded for
4 long-run productions and pre-Broadway productions, then the
5 difference between \$2,000,000 and the amount of credits
6 awarded for long-run productions and pre-Broadway productions
7 in that fiscal year may be added to the \$2,000,000 in credits
8 allowed to be awarded for commercial Broadway touring shows in
9 that State fiscal year.

10 The \$2,000,000 in credits that may be awarded for
11 non-profit theater productions under this Act in a State
12 fiscal year shall be allocated as follows:

13 (1) no credits may be awarded for non-profit theater
14 productions that have an annual operating budget of less
15 than \$25,000;

16 (2) no more than \$225,000 in credits may be awarded,
17 in the aggregate, for non-profit theater productions that
18 have an annual operating budget of \$25,000 or more but
19 less than \$250,000;

20 (3) no more than \$225,000 in credits may be awarded,
21 in the aggregate, for non-profit theater productions that
22 have an annual operating budget of \$250,000 or more but
23 less than \$1,000,000;

24 (4) no more than \$250,000 in credits may be awarded,
25 in the aggregate, for non-profit theater productions that
26 have an annual operating budget of \$1,000,000 or more but

1 less than \$2,500,000;

2 (5) no more than \$300,000 in credits may be awarded,
3 in the aggregate, for non-profit theater productions that
4 have an annual operating budget of \$2,500,000 or more but
5 less than \$5,000,000;

6 (6) no more than \$300,000 in credits may be awarded,
7 in the aggregate, for non-profit theater productions that
8 have an annual operating budget of \$5,000,000 or more but
9 less than \$10,000,000; and

10 (7) no more than \$700,000 in credits may be awarded,
11 in the aggregate, for non-profit theater productions that
12 have an annual operating budget of \$10,000,000 or more.

13 Credits shall be awarded on a first-come, first-served
14 basis. Notwithstanding the foregoing, if the amount of credits
15 applied for in any fiscal year exceeds the amount authorized
16 to be awarded under this Section, the excess credit amount
17 shall be awarded in the next fiscal year in which credits
18 remain available for award and shall be treated as having been
19 applied for on the first day of that fiscal year.

20 (Source: P.A. 102-700, eff. 4-19-22; 102-1112, eff. 12-21-22;
21 103-592, eff. 6-7-24; 103-1055, eff. 12-20-24.)

22 ARTICLE 820

23 Section 820-5. The Property Tax Code is amended by
24 changing Sections 10-115, 10-125, 10-135, 10-145, 10-150, and

1 10-152 as follows:

2 (35 ILCS 200/10-115)

3 Sec. 10-115. Department guidelines and valuations for
4 farmland. The Department shall issue guidelines and
5 recommendations for the valuation of farmland to achieve
6 equitable assessment within and between counties.

7 The Director of Revenue shall appoint a five-person
8 Farmland Assessment Technical Advisory Board, consisting of
9 technical experts from the colleges or schools of agriculture
10 of the State universities and State and federal agricultural
11 agencies, to advise in and provide data and technical
12 information needed for implementation of this Section.

13 By May 1 of each year, the Department shall certify to each
14 chief county assessment officer the following, calculated from
15 data provided by the Farmland Assessment Technical Advisory
16 Board, on a per acre basis by soil productivity index for
17 harvested cropland, using moving averages based upon ~~for~~ the
18 most recent 5-year period for which data are available:

19 (a) gross income, estimated ~~by~~ using annual yields per
20 acre, as assigned to soil productivity indices for the
21 major crops grown in this State, ~~the crop mix~~ for each soil
22 productivity index as determined by a Farmland Assessment
23 Technical Advisory Board representative from the
24 Department of Agricultural and Consumer Economics in the
25 College of Agricultural, Consumer, and Environmental

1 Sciences at the College of Agriculture of the University
2 of Illinois, and annual average prices received by farmers
3 for principal crops from associated publicly reported data
4 as published by the Illinois Crop Reporting Service;

5 (b) non-land production costs for each soil
6 productivity index as calculated by the Department of
7 Agricultural and Consumer Economics in, other than land
8 costs, provided by the College of Agricultural, Consumer,
9 and Environmental Sciences at Agriculture of the
10 University of Illinois;

11 (c) net return to land, for each soil productivity
12 index, which is calculated by subtracting non-land
13 production costs from estimated gross income; , which
14 shall be the difference between (a) and (b) above;

15 (d) a proposed agricultural economic value (AEV)
16 determined by dividing the net return to land by a
17 farmland income capitalization rate, which shall be
18 determined based on the calculation year rate under
19 Section 2032A of the Internal Revenue Code, or its analog
20 in cases when the rate is not published by the Farm Credit
21 Bank district that contains Illinois, plus 3%; except
22 that, in cases when that calculated rate exceeds 10%, the
23 income capitalization rate will be 10%; and, in cases when
24 that calculated rate falls below 8%, the income
25 capitalization rate will equal 8% the moving average of
26 the Federal Land Bank farmland mortgage interest rate as

~~calculated by the Department;~~

(e) ~~the~~ equalized assessed value per acre of farmland for each soil productivity index, which shall be 33-1/3% of the agricultural economic value, or the percentage as provided under Section 17-5; but any increase or decrease in the equalized assessed value per acre by soil productivity index shall not exceed 10% from the immediate preceding year's soil productivity index certified assessed value of the median cropped soil; ~~in tax year 2015 only, that 10% limitation shall be reduced by \$5 per acre;~~

(f) a proposed average equalized assessed value per acre of cropland for each individual county, weighted by the distribution of soils by productivity index in the county; and

(g) a proposed average equalized assessed value per acre for all farmland in each county, weighted (i) to consider the proportions of all farmland acres in the county which are cropland, permanent pasture, and other farmland, and (ii) to reflect the valuations for those types of land and debasements for slope and erosion as required by Section 10-125.

(Source: P.A. 98-109, eff. 7-25-13.)

(35 ILCS 200/10-125)

Sec. 10-125. Assessment level by type of farmland.

1 Cropland, permanent pasture, and other farmland shall be
2 defined according to guidelines issued by the Department of
3 Revenue ~~U.S. Census Bureau definitions~~ in use during that
4 assessment year and assessed in the following way:

5 (a) Cropland shall be assessed in accordance with the
6 equalized assessed value of its soil productivity index as
7 certified by the Department and shall be debased to take
8 into account factors including, but not limited to, slope,
9 drainage, ponding, flooding, and field size and shape.

10 (b) Permanent pasture shall be assessed at 1/3 of its
11 debased productivity index equalized assessed value as
12 cropland.

13 (c) Other farmland shall be assessed at 1/6 of its
14 debased productivity index equalized assessed value as
15 cropland.

16 (d) Wasteland shall be assessed on its contributory
17 value to the farmland parcel.

18 In no case shall the equalized assessed value of permanent
19 pasture be below 1/3, nor the equalized assessed value of
20 other farmland, except wasteland, be below 1/6, of the
21 equalized assessed value per acre of cropland of the lowest
22 productivity index certified under Section 10-115.

23 (Source: P.A. 86-954; 88-455.)

24 (35 ILCS 200/10-135)

25 Sec. 10-135. Farmland not subject to equalization. The

1 assessed valuation of farmland assessed under Sections 10-110
2 through 10-130 shall not be subject to equalization by means
3 of State equalization factors. ~~Equalization factors applied by~~
4 ~~a chief county assessment officer or a Board of Review under~~
5 ~~Sections 9-205 and 16-60 shall be applied to assessments of~~
6 ~~farmland only to achieve assessments as required by Sections~~
7 ~~10-110 through 10-130.~~

8 (Source: P.A. 92-301, eff. 1-1-02.)

9 (35 ILCS 200/10-145)

10 Sec. 10-145. Farm dwellings. Each farm dwelling and
11 appurtenant structures and the tract upon which they are
12 immediately situated shall be assessed by the local assessing
13 officials at 33 1/3% of fair cash value except that in counties
14 that classify property for purposes of taxation in accordance
15 with Section 4 of Article IX of the Constitution they shall be
16 assessed at the percentage of fair cash value as required by
17 county ordinance. That assessment shall be subject to
18 equalization by the Department under Sections 17-5 through
19 17-30 and local equalization applied under Sections 9-205 and
20 16-60.

21 (Source: P.A. 82-554; 88-455.)

22 (35 ILCS 200/10-150)

23 Sec. 10-150. Property under forestry management plan. In
24 counties with less than 3,000,000 inhabitants, any land being

1 managed under a forestry management plan accepted by the
2 Department of Natural Resources under the Illinois Forestry
3 Development Act shall be considered as "other farmland" and
4 shall be valued at 1/6 of its productivity index equalized
5 assessed value as cropland. In counties with more than
6 3,000,000 inhabitants, any land totaling ~~totaling~~ 15 acres or
7 less for which an approved forestry management plan was in
8 effect on or before December 31, 1985, shall be considered
9 "other farmland". The Department of Natural Resources shall
10 inform the Department ~~and each chief county assessment officer~~
11 of each parcel of land covered by an approved forestry
12 management plan, and the Department shall notify each chief
13 county assessment officer of each parcel of land covered by an
14 approved forestry management plan.

15 (Source: P.A. 88-455; 89-445, eff. 2-7-96.)

16 (35 ILCS 200/10-152)

17 (Section scheduled to be repealed on December 31, 2026)

18 Sec. 10-152. Vegetative filter strip assessment.

19 (a) In counties with less than 3,000,000 inhabitants, any
20 land (i) that is located between a farm field and an area to be
21 protected, including but not limited to surface water, a
22 stream, a river, or a sinkhole and (ii) that meets the
23 requirements of subsection (b) of this Section shall be
24 considered a "vegetative filter strip" and valued at 1/6th of
25 its productivity index equalized assessed value as cropland.

1 In counties with 3,000,000 or more inhabitants, the land shall
2 be valued at the lesser of either (i) 16% of the fair cash
3 value of the farmland estimated at the price it would bring at
4 a fair, voluntary sale for use by the buyer as a farm as
5 defined in Section 1-60 or (ii) 90% of the 1983 average
6 equalized assessed value per acre certified by the Department
7 of Revenue.

8 (b) Vegetative filter strips shall meet the standards and
9 specifications set forth in the Natural Resources Conservation
10 Service Technical Guide and shall contain vegetation that (i)
11 has a dense top growth; (ii) forms a uniform ground cover;
12 (iii) has a heavy fibrous root system; and (iv) tolerates
13 pesticides used in the farm field.

14 (c) The county's soil and water conservation district
15 shall assist the taxpayer in completing a uniform certified
16 document ~~as prescribed by the Department of Revenue~~ in
17 cooperation with the Association of Illinois Soil and Water
18 Conservation Districts that certifies (i) that the property
19 meets the requirements established under this Section for
20 vegetative filter strips and (ii) the acreage or square
21 footage of property that qualifies for assessment as a
22 vegetative filter strip. The document shall be filed by the
23 applicant with the Chief County Assessment Officer. The Chief
24 County Assessment Officer shall promulgate rules concerning
25 the filing of the document. The soil and water conservation
26 district shall create a conservation plan for the creation of

1 the filter strip. The plan shall be kept on file in the soil
2 and water conservation district office. Nothing in this
3 Section shall be construed to require any taxpayer to have
4 vegetative filter strips.

5 (d) A joint report by the Department of Agriculture and
6 the Department of Natural Resources concerning the effect and
7 impact of vegetative filter strip assessment shall be
8 submitted to the General Assembly by March 1, 2006.

9 (e) (Blank). ~~This Section is repealed on December 31,~~
10 ~~2026.~~

11 (Source: P.A. 99-560, eff. 1-1-17; 99-916, eff. 12-30-16.)

12 ARTICLE 825

13 Section 825-5. The Illinois Income Tax Act is amended by
14 changing Sections 201, 220, 221, 231, and 242 as follows:

15 (35 ILCS 5/201)

16 Sec. 201. Tax imposed.

17 (a) In general. A tax measured by net income is hereby
18 imposed on every individual, corporation, trust and estate for
19 each taxable year ending after July 31, 1969 on the privilege
20 of earning or receiving income in or as a resident of this
21 State. Such tax shall be in addition to all other occupation or
22 privilege taxes imposed by this State or by any municipal
23 corporation or political subdivision thereof.

1 (b) Rates. The tax imposed by subsection (a) of this
2 Section shall be determined as follows, except as adjusted by
3 subsection (d-1):

4 (1) In the case of an individual, trust or estate, for
5 taxable years ending prior to July 1, 1989, an amount
6 equal to 2 1/2% of the taxpayer's net income for the
7 taxable year.

8 (2) In the case of an individual, trust or estate, for
9 taxable years beginning prior to July 1, 1989 and ending
10 after June 30, 1989, an amount equal to the sum of (i) 2
11 1/2% of the taxpayer's net income for the period prior to
12 July 1, 1989, as calculated under Section 202.3, and (ii)
13 3% of the taxpayer's net income for the period after June
14 30, 1989, as calculated under Section 202.3.

15 (3) In the case of an individual, trust or estate, for
16 taxable years beginning after June 30, 1989, and ending
17 prior to January 1, 2011, an amount equal to 3% of the
18 taxpayer's net income for the taxable year.

19 (4) In the case of an individual, trust, or estate,
20 for taxable years beginning prior to January 1, 2011, and
21 ending after December 31, 2010, an amount equal to the sum
22 of (i) 3% of the taxpayer's net income for the period prior
23 to January 1, 2011, as calculated under Section 202.5, and
24 (ii) 5% of the taxpayer's net income for the period after
25 December 31, 2010, as calculated under Section 202.5.

26 (5) In the case of an individual, trust, or estate,

1 for taxable years beginning on or after January 1, 2011,
2 and ending prior to January 1, 2015, an amount equal to 5%
3 of the taxpayer's net income for the taxable year.

4 (5.1) In the case of an individual, trust, or estate,
5 for taxable years beginning prior to January 1, 2015, and
6 ending after December 31, 2014, an amount equal to the sum
7 of (i) 5% of the taxpayer's net income for the period prior
8 to January 1, 2015, as calculated under Section 202.5, and
9 (ii) 3.75% of the taxpayer's net income for the period
10 after December 31, 2014, as calculated under Section
11 202.5.

12 (5.2) In the case of an individual, trust, or estate,
13 for taxable years beginning on or after January 1, 2015,
14 and ending prior to July 1, 2017, an amount equal to 3.75%
15 of the taxpayer's net income for the taxable year.

16 (5.3) In the case of an individual, trust, or estate,
17 for taxable years beginning prior to July 1, 2017, and
18 ending after June 30, 2017, an amount equal to the sum of
19 (i) 3.75% of the taxpayer's net income for the period
20 prior to July 1, 2017, as calculated under Section 202.5,
21 and (ii) 4.95% of the taxpayer's net income for the period
22 after June 30, 2017, as calculated under Section 202.5.

23 (5.4) In the case of an individual, trust, or estate,
24 for taxable years beginning on or after July 1, 2017, an
25 amount equal to 4.95% of the taxpayer's net income for the
26 taxable year.

1 (6) In the case of a corporation, for taxable years
2 ending prior to July 1, 1989, an amount equal to 4% of the
3 taxpayer's net income for the taxable year.

4 (7) In the case of a corporation, for taxable years
5 beginning prior to July 1, 1989 and ending after June 30,
6 1989, an amount equal to the sum of (i) 4% of the
7 taxpayer's net income for the period prior to July 1,
8 1989, as calculated under Section 202.3, and (ii) 4.8% of
9 the taxpayer's net income for the period after June 30,
10 1989, as calculated under Section 202.3.

11 (8) In the case of a corporation, for taxable years
12 beginning after June 30, 1989, and ending prior to January
13 1, 2011, an amount equal to 4.8% of the taxpayer's net
14 income for the taxable year.

15 (9) In the case of a corporation, for taxable years
16 beginning prior to January 1, 2011, and ending after
17 December 31, 2010, an amount equal to the sum of (i) 4.8%
18 of the taxpayer's net income for the period prior to
19 January 1, 2011, as calculated under Section 202.5, and
20 (ii) 7% of the taxpayer's net income for the period after
21 December 31, 2010, as calculated under Section 202.5.

22 (10) In the case of a corporation, for taxable years
23 beginning on or after January 1, 2011, and ending prior to
24 January 1, 2015, an amount equal to 7% of the taxpayer's
25 net income for the taxable year.

26 (11) In the case of a corporation, for taxable years

1 beginning prior to January 1, 2015, and ending after
2 December 31, 2014, an amount equal to the sum of (i) 7% of
3 the taxpayer's net income for the period prior to January
4 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
5 of the taxpayer's net income for the period after December
6 31, 2014, as calculated under Section 202.5.

7 (12) In the case of a corporation, for taxable years
8 beginning on or after January 1, 2015, and ending prior to
9 July 1, 2017, an amount equal to 5.25% of the taxpayer's
10 net income for the taxable year.

11 (13) In the case of a corporation, for taxable years
12 beginning prior to July 1, 2017, and ending after June 30,
13 2017, an amount equal to the sum of (i) 5.25% of the
14 taxpayer's net income for the period prior to July 1,
15 2017, as calculated under Section 202.5, and (ii) 7% of
16 the taxpayer's net income for the period after June 30,
17 2017, as calculated under Section 202.5.

18 (14) In the case of a corporation, for taxable years
19 beginning on or after July 1, 2017, an amount equal to 7%
20 of the taxpayer's net income for the taxable year.

21 The rates under this subsection (b) are subject to the
22 provisions of Section 201.5.

23 (b-5) Surcharge; sale or exchange of assets, properties,
24 and intangibles of organization gaming licensees. For each of
25 taxable years 2019 through 2027, a surcharge is imposed on all
26 taxpayers on income arising from the sale or exchange of

1 capital assets, depreciable business property, real property
2 used in the trade or business, and Section 197 intangibles (i)
3 of an organization licensee under the Illinois Horse Racing
4 Act of 1975 and (ii) of an organization gaming licensee under
5 the Illinois Gambling Act. The amount of the surcharge is
6 equal to the amount of federal income tax liability for the
7 taxable year attributable to those sales and exchanges. The
8 surcharge imposed shall not apply if:

9 (1) the organization gaming license, organization
10 license, or racetrack property is transferred as a result
11 of any of the following:

12 (A) bankruptcy, a receivership, or a debt
13 adjustment initiated by or against the initial
14 licensee or the substantial owners of the initial
15 licensee;

16 (B) cancellation, revocation, or termination of
17 any such license by the Illinois Gaming Board or the
18 Illinois Racing Board;

19 (C) a determination by the Illinois Gaming Board
20 that transfer of the license is in the best interests
21 of Illinois gaming;

22 (D) the death of an owner of the equity interest in
23 a licensee;

24 (E) the acquisition of a controlling interest in
25 the stock or substantially all of the assets of a
26 publicly traded company;

1 (F) a transfer by a parent company to a wholly
2 owned subsidiary; or

3 (G) the transfer or sale to or by one person to
4 another person where both persons were initial owners
5 of the license when the license was issued; or

6 (2) the controlling interest in the organization
7 gaming license, organization license, or racetrack
8 property is transferred in a transaction to lineal
9 descendants in which no gain or loss is recognized or as a
10 result of a transaction in accordance with Section 351 of
11 the Internal Revenue Code in which no gain or loss is
12 recognized; or

13 (3) live horse racing was not conducted in 2010 at a
14 racetrack located within 3 miles of the Mississippi River
15 under a license issued pursuant to the Illinois Horse
16 Racing Act of 1975.

17 The transfer of an organization gaming license,
18 organization license, or racetrack property by a person other
19 than the initial licensee to receive the organization gaming
20 license is not subject to a surcharge. The Department shall
21 adopt rules necessary to implement and administer this
22 subsection.

23 (c) Personal Property Tax Replacement Income Tax.
24 Beginning on July 1, 1979 and thereafter, in addition to such
25 income tax, there is also hereby imposed the Personal Property
26 Tax Replacement Income Tax measured by net income on every

1 corporation (including Subchapter S corporations), partnership
2 and trust, for each taxable year ending after June 30, 1979.
3 Such taxes are imposed on the privilege of earning or
4 receiving income in or as a resident of this State. The
5 Personal Property Tax Replacement Income Tax shall be in
6 addition to the income tax imposed by subsections (a) and (b)
7 of this Section and in addition to all other occupation or
8 privilege taxes imposed by this State or by any municipal
9 corporation or political subdivision thereof.

10 (d) Additional Personal Property Tax Replacement Income
11 Tax Rates. The personal property tax replacement income tax
12 imposed by this subsection and subsection (c) of this Section
13 in the case of a corporation, other than a Subchapter S
14 corporation and except as adjusted by subsection (d-1), shall
15 be an additional amount equal to 2.85% of such taxpayer's net
16 income for the taxable year, except that beginning on January
17 1, 1981, and thereafter, the rate of 2.85% specified in this
18 subsection shall be reduced to 2.5%, and in the case of a
19 partnership, trust or a Subchapter S corporation shall be an
20 additional amount equal to 1.5% of such taxpayer's net income
21 for the taxable year.

22 (d-1) Rate reduction for certain foreign insurers. In the
23 case of a foreign insurer, as defined by Section 35A-5 of the
24 Illinois Insurance Code, whose state or country of domicile
25 imposes on insurers domiciled in Illinois a retaliatory tax
26 (excluding any insurer whose premiums from reinsurance assumed

1 are 50% or more of its total insurance premiums as determined
2 under paragraph (2) of subsection (b) of Section 304, except
3 that for purposes of this determination premiums from
4 reinsurance do not include premiums from inter-affiliate
5 reinsurance arrangements), beginning with taxable years ending
6 on or after December 31, 1999, the sum of the rates of tax
7 imposed by subsections (b) and (d) shall be reduced (but not
8 increased) to the rate at which the total amount of tax imposed
9 under this Act, net of all credits allowed under this Act,
10 shall equal (i) the total amount of tax that would be imposed
11 on the foreign insurer's net income allocable to Illinois for
12 the taxable year by such foreign insurer's state or country of
13 domicile if that net income were subject to all income taxes
14 and taxes measured by net income imposed by such foreign
15 insurer's state or country of domicile, net of all credits
16 allowed or (ii) a rate of zero if no such tax is imposed on
17 such income by the foreign insurer's state of domicile. For
18 the purposes of this subsection (d-1), an inter-affiliate
19 includes a mutual insurer under common management.

20 (1) For the purposes of subsection (d-1), in no event
21 shall the sum of the rates of tax imposed by subsections
22 (b) and (d) be reduced below the rate at which the sum of:

23 (A) the total amount of tax imposed on such
24 foreign insurer under this Act for a taxable year, net
25 of all credits allowed under this Act, plus

26 (B) the privilege tax imposed by Section 409 of

1 the Illinois Insurance Code, the fire insurance
2 company tax imposed by Section 12 of the Fire
3 Investigation Act, and the fire department taxes
4 imposed under Section 11-10-1 of the Illinois
5 Municipal Code,

6 equals 1.25% for taxable years ending prior to December
7 31, 2003, or 1.75% for taxable years ending on or after
8 December 31, 2003, of the net taxable premiums written for
9 the taxable year, as described by subsection (1) of
10 Section 409 of the Illinois Insurance Code. This paragraph
11 will in no event increase the rates imposed under
12 subsections (b) and (d).

13 (2) Any reduction in the rates of tax imposed by this
14 subsection shall be applied first against the rates
15 imposed by subsection (b) and only after the tax imposed
16 by subsection (a) net of all credits allowed under this
17 Section other than the credit allowed under subsection (i)
18 has been reduced to zero, against the rates imposed by
19 subsection (d).

20 This subsection (d-1) is exempt from the provisions of
21 Section 250.

22 (e) Investment credit. A taxpayer shall be allowed a
23 credit against the Personal Property Tax Replacement Income
24 Tax for investment in qualified property.

25 (1) A taxpayer shall be allowed a credit equal to .5%
26 of the basis of qualified property placed in service

1 during the taxable year, provided such property is placed
2 in service on or after July 1, 1984. There shall be allowed
3 an additional credit equal to .5% of the basis of
4 qualified property placed in service during the taxable
5 year, provided such property is placed in service on or
6 after July 1, 1986, and the taxpayer's base employment
7 within Illinois has increased by 1% or more over the
8 preceding year as determined by the taxpayer's employment
9 records filed with the Illinois Department of Employment
10 Security. Taxpayers who are new to Illinois shall be
11 deemed to have met the 1% growth in base employment for the
12 first year in which they file employment records with the
13 Illinois Department of Employment Security. The provisions
14 added to this Section by Public Act 85-1200 (and restored
15 by Public Act 87-895) shall be construed as declaratory of
16 existing law and not as a new enactment. If, in any year,
17 the increase in base employment within Illinois over the
18 preceding year is less than 1%, the additional credit
19 shall be limited to that percentage times a fraction, the
20 numerator of which is .5% and the denominator of which is
21 1%, but shall not exceed .5%. The investment credit shall
22 not be allowed to the extent that it would reduce a
23 taxpayer's liability in any tax year below zero, nor may
24 any credit for qualified property be allowed for any year
25 other than the year in which the property was placed in
26 service in Illinois. For tax years ending on or after

1 December 31, 1987, and on or before December 31, 1988, the
2 credit shall be allowed for the tax year in which the
3 property is placed in service, or, if the amount of the
4 credit exceeds the tax liability for that year, whether it
5 exceeds the original liability or the liability as later
6 amended, such excess may be carried forward and applied to
7 the tax liability of the 5 taxable years following the
8 excess credit years if the taxpayer (i) makes investments
9 which cause the creation of a minimum of 2,000 full-time
10 equivalent jobs in Illinois, (ii) is located in an
11 enterprise zone established pursuant to the Illinois
12 Enterprise Zone Act and (iii) is certified by the
13 Department of Commerce and Community Affairs (now
14 Department of Commerce and Economic Opportunity) as
15 complying with the requirements specified in clause (i)
16 and (ii) by July 1, 1986. The Department of Commerce and
17 Community Affairs (now Department of Commerce and Economic
18 Opportunity) shall notify the Department of Revenue of all
19 such certifications immediately. For tax years ending
20 after December 31, 1988, the credit shall be allowed for
21 the tax year in which the property is placed in service,
22 or, if the amount of the credit exceeds the tax liability
23 for that year, whether it exceeds the original liability
24 or the liability as later amended, such excess may be
25 carried forward and applied to the tax liability of the 5
26 taxable years following the excess credit years. The

1 credit shall be applied to the earliest year for which
2 there is a liability. If there is credit from more than one
3 tax year that is available to offset a liability, earlier
4 credit shall be applied first.

5 (2) The term "qualified property" means property
6 which:

7 (A) is tangible, whether new or used, including
8 buildings and structural components of buildings and
9 signs that are real property, but not including land
10 or improvements to real property that are not a
11 structural component of a building such as
12 landscaping, sewer lines, local access roads, fencing,
13 parking lots, and other appurtenances;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c)(2)(A) of that Code is not
17 eligible for the credit provided by this subsection
18 (e);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code;

21 (D) is used in Illinois by a taxpayer who is
22 primarily engaged in manufacturing, or in mining coal
23 or fluorite, or in retailing, or was placed in service
24 on or after July 1, 2006 in a River Edge Redevelopment
25 Zone established pursuant to the River Edge
26 Redevelopment Zone Act; and

1 (E) has not previously been used in Illinois in
2 such a manner and by such a person as would qualify for
3 the credit provided by this subsection (e) or
4 subsection (f).

5 (3) For purposes of this subsection (e),
6 "manufacturing" means the material staging and production
7 of tangible personal property by procedures commonly
8 regarded as manufacturing, processing, fabrication, or
9 assembling which changes some existing material into new
10 shapes, new qualities, or new combinations. For purposes
11 of this subsection (e) the term "mining" shall have the
12 same meaning as the term "mining" in Section 613(c) of the
13 Internal Revenue Code. For purposes of this subsection
14 (e), the term "retailing" means the sale of tangible
15 personal property for use or consumption and not for
16 resale, or services rendered in conjunction with the sale
17 of tangible personal property for use or consumption and
18 not for resale. For purposes of this subsection (e),
19 "tangible personal property" has the same meaning as when
20 that term is used in the Retailers' Occupation Tax Act,
21 and, for taxable years ending after December 31, 2008,
22 does not include the generation, transmission, or
23 distribution of electricity.

24 (4) The basis of qualified property shall be the basis
25 used to compute the depreciation deduction for federal
26 income tax purposes.

1 (5) If the basis of the property for federal income
2 tax depreciation purposes is increased after it has been
3 placed in service in Illinois by the taxpayer, the amount
4 of such increase shall be deemed property placed in
5 service on the date of such increase in basis.

6 (6) The term "placed in service" shall have the same
7 meaning as under Section 46 of the Internal Revenue Code.

8 (7) If during any taxable year, any property ceases to
9 be qualified property in the hands of the taxpayer within
10 48 months after being placed in service, or the situs of
11 any qualified property is moved outside Illinois within 48
12 months after being placed in service, the Personal
13 Property Tax Replacement Income Tax for such taxable year
14 shall be increased. Such increase shall be determined by
15 (i) recomputing the investment credit which would have
16 been allowed for the year in which credit for such
17 property was originally allowed by eliminating such
18 property from such computation and, (ii) subtracting such
19 recomputed credit from the amount of credit previously
20 allowed. For the purposes of this paragraph (7), a
21 reduction of the basis of qualified property resulting
22 from a redetermination of the purchase price shall be
23 deemed a disposition of qualified property to the extent
24 of such reduction.

25 (8) Unless the investment credit is extended by law,
26 the basis of qualified property shall not include costs

1 incurred after December 31, 2018, except for costs
2 incurred pursuant to a binding contract entered into on or
3 before December 31, 2018.

4 (9) Each taxable year ending before December 31, 2000,
5 a partnership may elect to pass through to its partners
6 the credits to which the partnership is entitled under
7 this subsection (e) for the taxable year. A partner may
8 use the credit allocated to him or her under this
9 paragraph only against the tax imposed in subsections (c)
10 and (d) of this Section. If the partnership makes that
11 election, those credits shall be allocated among the
12 partners in the partnership in accordance with the rules
13 set forth in Section 704(b) of the Internal Revenue Code,
14 and the rules promulgated under that Section, and the
15 allocated amount of the credits shall be allowed to the
16 partners for that taxable year. The partnership shall make
17 this election on its Personal Property Tax Replacement
18 Income Tax return for that taxable year. The election to
19 pass through the credits shall be irrevocable.

20 For taxable years ending on or after December 31,
21 2000, a partner that qualifies its partnership for a
22 subtraction under subparagraph (I) of paragraph (2) of
23 subsection (d) of Section 203 or a shareholder that
24 qualifies a Subchapter S corporation for a subtraction
25 under subparagraph (S) of paragraph (2) of subsection (b)
26 of Section 203 shall be allowed a credit under this

1 subsection (e) equal to its share of the credit earned
2 under this subsection (e) during the taxable year by the
3 partnership or Subchapter S corporation, determined in
4 accordance with the determination of income and
5 distributive share of income under Sections 702 and 704
6 and Subchapter S of the Internal Revenue Code. This
7 paragraph is exempt from the provisions of Section 250.

8 (f) Investment credit; Enterprise Zone; River Edge
9 Redevelopment Zone.

10 (1) A taxpayer shall be allowed a credit against the
11 tax imposed by subsections (a) and (b) of this Section for
12 investment in qualified property which is placed in
13 service in an Enterprise Zone created pursuant to the
14 Illinois Enterprise Zone Act or, for property placed in
15 service on or after July 1, 2006, a River Edge
16 Redevelopment Zone established pursuant to the River Edge
17 Redevelopment Zone Act. For partners, shareholders of
18 Subchapter S corporations, and owners of limited liability
19 companies, if the liability company is treated as a
20 partnership for purposes of federal and State income
21 taxation, for taxable years ending before December 31,
22 2023, there shall be allowed a credit under this
23 subsection (f) to be determined in accordance with the
24 determination of income and distributive share of income
25 under Sections 702 and 704 and Subchapter S of the
26 Internal Revenue Code. For taxable years ending on or

1 after December 31, 2023, for partners and shareholders of
2 Subchapter S corporations, the provisions of Section 251
3 shall apply with respect to the credit under this
4 subsection. The credit shall be .5% of the basis for such
5 property. The credit shall be available only in the
6 taxable year in which the property is placed in service in
7 the Enterprise Zone or River Edge Redevelopment Zone and
8 shall not be allowed to the extent that it would reduce a
9 taxpayer's liability for the tax imposed by subsections
10 (a) and (b) of this Section to below zero. For tax years
11 ending on or after December 31, 1985, the credit shall be
12 allowed for the tax year in which the property is placed in
13 service, or, if the amount of the credit exceeds the tax
14 liability for that year, whether it exceeds the original
15 liability or the liability as later amended, such excess
16 may be carried forward and applied to the tax liability of
17 the 5 taxable years following the excess credit year. The
18 credit shall be applied to the earliest year for which
19 there is a liability. If there is credit from more than one
20 tax year that is available to offset a liability, the
21 credit accruing first in time shall be applied first.

22 (2) The term qualified property means property which:

23 (A) is tangible, whether new or used, including
24 buildings and structural components of buildings;

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (f);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code;

6 (D) is used in the Enterprise Zone or River Edge
7 Redevelopment Zone by the taxpayer; and

8 (E) has not been previously used in Illinois in
9 such a manner and by such a person as would qualify for
10 the credit provided by this subsection (f) or
11 subsection (e).

12 (3) The basis of qualified property shall be the basis
13 used to compute the depreciation deduction for federal
14 income tax purposes.

15 (4) If the basis of the property for federal income
16 tax depreciation purposes is increased after it has been
17 placed in service in the Enterprise Zone or River Edge
18 Redevelopment Zone by the taxpayer, the amount of such
19 increase shall be deemed property placed in service on the
20 date of such increase in basis.

21 (5) The term "placed in service" shall have the same
22 meaning as under Section 46 of the Internal Revenue Code.

23 (6) If during any taxable year, any property ceases to
24 be qualified property in the hands of the taxpayer within
25 48 months after being placed in service, or the situs of
26 any qualified property is moved outside the Enterprise

1 Zone or River Edge Redevelopment Zone within 48 months
2 after being placed in service, the tax imposed under
3 subsections (a) and (b) of this Section for such taxable
4 year shall be increased. Such increase shall be determined
5 by (i) recomputing the investment credit which would have
6 been allowed for the year in which credit for such
7 property was originally allowed by eliminating such
8 property from such computation, and (ii) subtracting such
9 recomputed credit from the amount of credit previously
10 allowed. For the purposes of this paragraph (6), a
11 reduction of the basis of qualified property resulting
12 from a redetermination of the purchase price shall be
13 deemed a disposition of qualified property to the extent
14 of such reduction.

15 (7) There shall be allowed an additional credit equal
16 to 0.5% of the basis of qualified property placed in
17 service during the taxable year in a River Edge
18 Redevelopment Zone, provided such property is placed in
19 service on or after July 1, 2006, and the taxpayer's base
20 employment within Illinois has increased by 1% or more
21 over the preceding year as determined by the taxpayer's
22 employment records filed with the Illinois Department of
23 Employment Security. Taxpayers who are new to Illinois
24 shall be deemed to have met the 1% growth in base
25 employment for the first year in which they file
26 employment records with the Illinois Department of

1 Employment Security. If, in any year, the increase in base
2 employment within Illinois over the preceding year is less
3 than 1%, the additional credit shall be limited to that
4 percentage times a fraction, the numerator of which is
5 0.5% and the denominator of which is 1%, but shall not
6 exceed 0.5%.

7 (8) For taxable years beginning on or after January 1,
8 2021, there shall be allowed an Enterprise Zone
9 construction jobs credit against the taxes imposed under
10 subsections (a) and (b) of this Section as provided in
11 Section 13 of the Illinois Enterprise Zone Act.

12 The credit or credits may not reduce the taxpayer's
13 liability to less than zero. If the amount of the credit or
14 credits exceeds the taxpayer's liability, the excess may
15 be carried forward and applied against the taxpayer's
16 liability in succeeding calendar years in the same manner
17 provided under paragraph (4) of Section 211 of this Act.
18 The credit or credits shall be applied to the earliest
19 year for which there is a tax liability. If there are
20 credits from more than one taxable year that are available
21 to offset a liability, the earlier credit shall be applied
22 first.

23 For partners, shareholders of Subchapter S
24 corporations, and owners of limited liability companies,
25 if the liability company is treated as a partnership for
26 the purposes of federal and State income taxation, for

1 taxable years ending before December 31, 2023, there shall
2 be allowed a credit under this Section to be determined in
3 accordance with the determination of income and
4 distributive share of income under Sections 702 and 704
5 and Subchapter S of the Internal Revenue Code. For taxable
6 years ending on or after December 31, 2023, for partners
7 and shareholders of Subchapter S corporations, the
8 provisions of Section 251 shall apply with respect to the
9 credit under this subsection.

10 The total aggregate amount of credits awarded under
11 the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
12 shall not exceed \$20,000,000 in any State fiscal year.

13 This paragraph (8) is exempt from the provisions of
14 Section 250.

15 (g) (Blank).

16 (h) Investment credit; High Impact Business.

17 (1) Subject to subsections (b) and (b-5) of Section
18 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
19 be allowed a credit against the tax imposed by subsections
20 (a) and (b) of this Section for investment in qualified
21 property which is placed in service by a Department of
22 Commerce and Economic Opportunity designated High Impact
23 Business. The credit shall be .5% of the basis for such
24 property. The credit shall not be available (i) until the
25 minimum investments in qualified property set forth in
26 subdivision (a) (3) (A) of Section 5.5 of the Illinois

1 Enterprise Zone Act have been satisfied or (ii) until the
2 time authorized in subsection (b-5) of the Illinois
3 Enterprise Zone Act for entities designated as High Impact
4 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
5 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
6 Act, and shall not be allowed to the extent that it would
7 reduce a taxpayer's liability for the tax imposed by
8 subsections (a) and (b) of this Section to below zero. The
9 credit applicable to such investments shall be taken in
10 the taxable year in which such investments have been
11 completed. The credit for additional investments beyond
12 the minimum investment by a designated high impact
13 business authorized under subdivision (a)(3)(A) of Section
14 5.5 of the Illinois Enterprise Zone Act shall be available
15 only in the taxable year in which the property is placed in
16 service and shall not be allowed to the extent that it
17 would reduce a taxpayer's liability for the tax imposed by
18 subsections (a) and (b) of this Section to below zero. For
19 tax years ending on or after December 31, 1987, the credit
20 shall be allowed for the tax year in which the property is
21 placed in service, or, if the amount of the credit exceeds
22 the tax liability for that year, whether it exceeds the
23 original liability or the liability as later amended, such
24 excess may be carried forward and applied to the tax
25 liability of the 5 taxable years following the excess
26 credit year. The credit shall be applied to the earliest

1 year for which there is a liability. If there is credit
2 from more than one tax year that is available to offset a
3 liability, the credit accruing first in time shall be
4 applied first.

5 Changes made in this subdivision (h) (1) by Public Act
6 88-670 restore changes made by Public Act 85-1182 and
7 reflect existing law.

8 (2) The term qualified property means property which:

9 (A) is tangible, whether new or used, including
10 buildings and structural components of buildings;

11 (B) is depreciable pursuant to Section 167 of the
12 Internal Revenue Code, except that "3-year property"
13 as defined in Section 168(c) (2) (A) of that Code is not
14 eligible for the credit provided by this subsection
15 (h);

16 (C) is acquired by purchase as defined in Section
17 179(d) of the Internal Revenue Code; and

18 (D) is not eligible for the Enterprise Zone
19 Investment Credit provided by subsection (f) of this
20 Section.

21 (3) The basis of qualified property shall be the basis
22 used to compute the depreciation deduction for federal
23 income tax purposes.

24 (4) If the basis of the property for federal income
25 tax depreciation purposes is increased after it has been
26 placed in service in a federally designated Foreign Trade

1 Zone or Sub-Zone located in Illinois by the taxpayer, the
2 amount of such increase shall be deemed property placed in
3 service on the date of such increase in basis.

4 (5) The term "placed in service" shall have the same
5 meaning as under Section 46 of the Internal Revenue Code.

6 (6) If during any taxable year ending on or before
7 December 31, 1996, any property ceases to be qualified
8 property in the hands of the taxpayer within 48 months
9 after being placed in service, or the situs of any
10 qualified property is moved outside Illinois within 48
11 months after being placed in service, the tax imposed
12 under subsections (a) and (b) of this Section for such
13 taxable year shall be increased. Such increase shall be
14 determined by (i) recomputing the investment credit which
15 would have been allowed for the year in which credit for
16 such property was originally allowed by eliminating such
17 property from such computation, and (ii) subtracting such
18 recomputed credit from the amount of credit previously
19 allowed. For the purposes of this paragraph (6), a
20 reduction of the basis of qualified property resulting
21 from a redetermination of the purchase price shall be
22 deemed a disposition of qualified property to the extent
23 of such reduction.

24 (7) Beginning with tax years ending after December 31,
25 1996, if a taxpayer qualifies for the credit under this
26 subsection (h) and thereby is granted a tax abatement and

1 the taxpayer relocates its entire facility in violation of
2 the explicit terms and length of the contract under
3 Section 18-183 of the Property Tax Code, the tax imposed
4 under subsections (a) and (b) of this Section shall be
5 increased for the taxable year in which the taxpayer
6 relocated its facility by an amount equal to the amount of
7 credit received by the taxpayer under this subsection (h).

8 (h-5) High Impact Business construction jobs credit. For
9 taxable years beginning on or after January 1, 2021, there
10 shall also be allowed a High Impact Business construction jobs
11 credit against the tax imposed under subsections (a) and (b)
12 of this Section as provided in subsections (i) and (j) of
13 Section 5.5 of the Illinois Enterprise Zone Act.

14 The credit or credits may not reduce the taxpayer's
15 liability to less than zero. If the amount of the credit or
16 credits exceeds the taxpayer's liability, the excess may be
17 carried forward and applied against the taxpayer's liability
18 in succeeding calendar years in the manner provided under
19 paragraph (4) of Section 211 of this Act. The credit or credits
20 shall be applied to the earliest year for which there is a tax
21 liability. If there are credits from more than one taxable
22 year that are available to offset a liability, the earlier
23 credit shall be applied first.

24 For partners, shareholders of Subchapter S corporations,
25 and owners of limited liability companies, for taxable years
26 ending before December 31, 2023, if the liability company is

1 treated as a partnership for the purposes of federal and State
2 income taxation, there shall be allowed a credit under this
3 Section to be determined in accordance with the determination
4 of income and distributive share of income under Sections 702
5 and 704 and Subchapter S of the Internal Revenue Code. For
6 taxable years ending on or after December 31, 2023, for
7 partners and shareholders of Subchapter S corporations, the
8 provisions of Section 251 shall apply with respect to the
9 credit under this subsection.

10 The total aggregate amount of credits awarded under the
11 Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not
12 exceed \$20,000,000 in any State fiscal year.

13 This subsection (h-5) is exempt from the provisions of
14 Section 250.

15 (i) Credit for Personal Property Tax Replacement Income
16 Tax. For tax years ending prior to December 31, 2003, a credit
17 shall be allowed against the tax imposed by subsections (a)
18 and (b) of this Section for the tax imposed by subsections (c)
19 and (d) of this Section. This credit shall be computed by
20 multiplying the tax imposed by subsections (c) and (d) of this
21 Section by a fraction, the numerator of which is base income
22 allocable to Illinois and the denominator of which is Illinois
23 base income, and further multiplying the product by the tax
24 rate imposed by subsections (a) and (b) of this Section.

25 Any credit earned on or after December 31, 1986 under this
26 subsection which is unused in the year the credit is computed

1 because it exceeds the tax liability imposed by subsections
2 (a) and (b) for that year (whether it exceeds the original
3 liability or the liability as later amended) may be carried
4 forward and applied to the tax liability imposed by
5 subsections (a) and (b) of the 5 taxable years following the
6 excess credit year, provided that no credit may be carried
7 forward to any year ending on or after December 31, 2003. This
8 credit shall be applied first to the earliest year for which
9 there is a liability. If there is a credit under this
10 subsection from more than one tax year that is available to
11 offset a liability the earliest credit arising under this
12 subsection shall be applied first.

13 If, during any taxable year ending on or after December
14 31, 1986, the tax imposed by subsections (c) and (d) of this
15 Section for which a taxpayer has claimed a credit under this
16 subsection (i) is reduced, the amount of credit for such tax
17 shall also be reduced. Such reduction shall be determined by
18 recomputing the credit to take into account the reduced tax
19 imposed by subsections (c) and (d). If any portion of the
20 reduced amount of credit has been carried to a different
21 taxable year, an amended return shall be filed for such
22 taxable year to reduce the amount of credit claimed.

23 (j) Training expense credit. Beginning with tax years
24 ending on or after December 31, 1986 and prior to December 31,
25 2003, a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) under this Section for all

1 amounts paid or accrued, on behalf of all persons employed by
2 the taxpayer in Illinois or Illinois residents employed
3 outside of Illinois by a taxpayer, for educational or
4 vocational training in semi-technical or technical fields or
5 semi-skilled or skilled fields, which were deducted from gross
6 income in the computation of taxable income. The credit
7 against the tax imposed by subsections (a) and (b) shall be
8 1.6% of such training expenses. For partners, shareholders of
9 subchapter S corporations, and owners of limited liability
10 companies, if the liability company is treated as a
11 partnership for purposes of federal and State income taxation,
12 for taxable years ending before December 31, 2023, there shall
13 be allowed a credit under this subsection (j) to be determined
14 in accordance with the determination of income and
15 distributive share of income under Sections 702 and 704 and
16 subchapter S of the Internal Revenue Code. For taxable years
17 ending on or after December 31, 2023, for partners and
18 shareholders of Subchapter S corporations, the provisions of
19 Section 251 shall apply with respect to the credit under this
20 subsection.

21 Any credit allowed under this subsection which is unused
22 in the year the credit is earned may be carried forward to each
23 of the 5 taxable years following the year for which the credit
24 is first computed until it is used. This credit shall be
25 applied first to the earliest year for which there is a
26 liability. If there is a credit under this subsection from

1 more than one tax year that is available to offset a liability,
2 the earliest credit arising under this subsection shall be
3 applied first. No carryforward credit may be claimed in any
4 tax year ending on or after December 31, 2003.

5 (k) Research and development credit. For tax years ending
6 after July 1, 1990 and prior to December 31, 2003, and
7 beginning again for tax years ending on or after December 31,
8 2004, and ending prior to January 1, 2037 ~~January 1, 2032~~, a
9 taxpayer shall be allowed a credit against the tax imposed by
10 subsections (a) and (b) of this Section for increasing
11 research activities in this State. The credit allowed against
12 the tax imposed by subsections (a) and (b) shall be equal to 6
13 1/2% of the qualifying expenditures for increasing research
14 activities in this State. For partners, shareholders of
15 subchapter S corporations, and owners of limited liability
16 companies, if the liability company is treated as a
17 partnership for purposes of federal and State income taxation,
18 for taxable years ending before December 31, 2023, there shall
19 be allowed a credit under this subsection to be determined in
20 accordance with the determination of income and distributive
21 share of income under Sections 702 and 704 and subchapter S of
22 the Internal Revenue Code. For taxable years ending on or
23 after December 31, 2023, for partners and shareholders of
24 Subchapter S corporations, the provisions of Section 251 shall
25 apply with respect to the credit under this subsection.

26 For purposes of this subsection, "qualifying expenditures"

1 means the qualifying expenditures as defined for the federal
2 credit for increasing research activities which would be
3 allowable under Section 41 of the Internal Revenue Code and
4 which are conducted in this State, "qualifying expenditures
5 for increasing research activities in this State" means the
6 excess of qualifying expenditures for the taxable year in
7 which incurred over qualifying expenditures for the base
8 period, "qualifying expenditures for the base period" means
9 the average of the qualifying expenditures for each year in
10 the base period, and "base period" means the 3 taxable years
11 immediately preceding the taxable year for which the
12 determination is being made.

13 Any credit in excess of the tax liability for the taxable
14 year may be carried forward. A taxpayer may elect to have the
15 unused credit shown on its final completed return carried over
16 as a credit against the tax liability for the following 5
17 taxable years or until it has been fully used, whichever
18 occurs first; provided that no credit earned in a tax year
19 ending prior to December 31, 2003 may be carried forward to any
20 year ending on or after December 31, 2003.

21 If an unused credit is carried forward to a given year from
22 2 or more earlier years, that credit arising in the earliest
23 year will be applied first against the tax liability for the
24 given year. If a tax liability for the given year still
25 remains, the credit from the next earliest year will then be
26 applied, and so on, until all credits have been used or no tax

1 liability for the given year remains. Any remaining unused
2 credit or credits then will be carried forward to the next
3 following year in which a tax liability is incurred, except
4 that no credit can be carried forward to a year which is more
5 than 5 years after the year in which the expense for which the
6 credit is given was incurred.

7 No inference shall be drawn from Public Act 91-644 in
8 construing this Section for taxable years beginning before
9 January 1, 1999.

10 It is the intent of the General Assembly that the research
11 and development credit under this subsection (k) shall apply
12 continuously for all tax years ending on or after December 31,
13 2004 and ending prior to January 1, 2037 ~~January 1, 2032~~,
14 including, but not limited to, the period beginning on January
15 1, 2016 and ending on July 6, 2017 (the effective date of
16 Public Act 100-22). All actions taken in reliance on the
17 continuation of the credit under this subsection (k) by any
18 taxpayer are hereby validated.

19 (l) Environmental Remediation Tax Credit.

20 (i) For tax years ending after December 31, 1997 and
21 on or before December 31, 2001, a taxpayer shall be
22 allowed a credit against the tax imposed by subsections
23 (a) and (b) of this Section for certain amounts paid for
24 unreimbursed eligible remediation costs, as specified in
25 this subsection. For purposes of this Section,
26 "unreimbursed eligible remediation costs" means costs

1 approved by the Illinois Environmental Protection Agency
2 ("Agency") under Section 58.14 of the Environmental
3 Protection Act that were paid in performing environmental
4 remediation at a site for which a No Further Remediation
5 Letter was issued by the Agency and recorded under Section
6 58.10 of the Environmental Protection Act. The credit must
7 be claimed for the taxable year in which Agency approval
8 of the eligible remediation costs is granted. The credit
9 is not available to any taxpayer if the taxpayer or any
10 related party caused or contributed to, in any material
11 respect, a release of regulated substances on, in, or
12 under the site that was identified and addressed by the
13 remedial action pursuant to the Site Remediation Program
14 of the Environmental Protection Act. After the Pollution
15 Control Board rules are adopted pursuant to the Illinois
16 Administrative Procedure Act for the administration and
17 enforcement of Section 58.9 of the Environmental
18 Protection Act, determinations as to credit availability
19 for purposes of this Section shall be made consistent with
20 those rules. For purposes of this Section, "taxpayer"
21 includes a person whose tax attributes the taxpayer has
22 succeeded to under Section 381 of the Internal Revenue
23 Code and "related party" includes the persons disallowed a
24 deduction for losses by paragraphs (b), (c), and (f)(1) of
25 Section 267 of the Internal Revenue Code by virtue of
26 being a related taxpayer, as well as any of its partners.

1 The credit allowed against the tax imposed by subsections
2 (a) and (b) shall be equal to 25% of the unreimbursed
3 eligible remediation costs in excess of \$100,000 per site,
4 except that the \$100,000 threshold shall not apply to any
5 site contained in an enterprise zone as determined by the
6 Department of Commerce and Community Affairs (now
7 Department of Commerce and Economic Opportunity). The
8 total credit allowed shall not exceed \$40,000 per year
9 with a maximum total of \$150,000 per site. For partners
10 and shareholders of subchapter S corporations, there shall
11 be allowed a credit under this subsection to be determined
12 in accordance with the determination of income and
13 distributive share of income under Sections 702 and 704
14 and subchapter S of the Internal Revenue Code.

15 (ii) A credit allowed under this subsection that is
16 unused in the year the credit is earned may be carried
17 forward to each of the 5 taxable years following the year
18 for which the credit is first earned until it is used. The
19 term "unused credit" does not include any amounts of
20 unreimbursed eligible remediation costs in excess of the
21 maximum credit per site authorized under paragraph (i).
22 This credit shall be applied first to the earliest year
23 for which there is a liability. If there is a credit under
24 this subsection from more than one tax year that is
25 available to offset a liability, the earliest credit
26 arising under this subsection shall be applied first. A

1 credit allowed under this subsection may be sold to a
2 buyer as part of a sale of all or part of the remediation
3 site for which the credit was granted. The purchaser of a
4 remediation site and the tax credit shall succeed to the
5 unused credit and remaining carry-forward period of the
6 seller. To perfect the transfer, the assignor shall record
7 the transfer in the chain of title for the site and provide
8 written notice to the Director of the Illinois Department
9 of Revenue of the assignor's intent to sell the
10 remediation site and the amount of the tax credit to be
11 transferred as a portion of the sale. In no event may a
12 credit be transferred to any taxpayer if the taxpayer or a
13 related party would not be eligible under the provisions
14 of subsection (i).

15 (iii) For purposes of this Section, the term "site"
16 shall have the same meaning as under Section 58.2 of the
17 Environmental Protection Act.

18 (m) Education expense credit. Beginning with tax years
19 ending after December 31, 1999, a taxpayer who is the
20 custodian of one or more qualifying pupils shall be allowed a
21 credit against the tax imposed by subsections (a) and (b) of
22 this Section for qualified education expenses incurred on
23 behalf of the qualifying pupils. The credit shall be equal to
24 25% of qualified education expenses, but in no event may the
25 total credit under this subsection claimed by a family that is
26 the custodian of qualifying pupils exceed (i) \$500 for tax

1 years ending prior to December 31, 2017, and (ii) \$750 for tax
2 years ending on or after December 31, 2017. In no event shall a
3 credit under this subsection reduce the taxpayer's liability
4 under this Act to less than zero. Notwithstanding any other
5 provision of law, for taxable years beginning on or after
6 January 1, 2017, no taxpayer may claim a credit under this
7 subsection (m) if the taxpayer's adjusted gross income for the
8 taxable year exceeds (i) \$500,000, in the case of spouses
9 filing a joint federal tax return or (ii) \$250,000, in the case
10 of all other taxpayers. This subsection is exempt from the
11 provisions of Section 250 of this Act.

12 For purposes of this subsection:

13 "Qualifying pupils" means individuals who (i) are
14 residents of the State of Illinois, (ii) are under the age of
15 21 at the close of the school year for which a credit is
16 sought, and (iii) during the school year for which a credit is
17 sought were full-time pupils enrolled in a kindergarten
18 through twelfth grade education program at any school, as
19 defined in this subsection.

20 "Qualified education expense" means the amount incurred on
21 behalf of a qualifying pupil in excess of \$250 for tuition,
22 book fees, and lab fees at the school in which the pupil is
23 enrolled during the regular school year.

24 "School" means any public or nonpublic elementary or
25 secondary school in Illinois that is in compliance with Title
26 VI of the Civil Rights Act of 1964 and attendance at which

1 satisfies the requirements of Section 26-1 of the School Code,
2 except that nothing shall be construed to require a child to
3 attend any particular public or nonpublic school to qualify
4 for the credit under this Section.

5 "Custodian" means, with respect to qualifying pupils, an
6 Illinois resident who is a parent, the parents, a legal
7 guardian, or the legal guardians of the qualifying pupils.

8 (n) River Edge Redevelopment Zone site remediation tax
9 credit.

10 (i) For tax years ending on or after December 31,
11 2006, a taxpayer shall be allowed a credit against the tax
12 imposed by subsections (a) and (b) of this Section for
13 certain amounts paid for unreimbursed eligible remediation
14 costs, as specified in this subsection. For purposes of
15 this Section, "unreimbursed eligible remediation costs"
16 means costs approved by the Illinois Environmental
17 Protection Agency ("Agency") under Section 58.14a of the
18 Environmental Protection Act that were paid in performing
19 environmental remediation at a site within a River Edge
20 Redevelopment Zone for which a No Further Remediation
21 Letter was issued by the Agency and recorded under Section
22 58.10 of the Environmental Protection Act. The credit must
23 be claimed for the taxable year in which Agency approval
24 of the eligible remediation costs is granted. The credit
25 is not available to any taxpayer if the taxpayer or any
26 related party caused or contributed to, in any material

1 respect, a release of regulated substances on, in, or
2 under the site that was identified and addressed by the
3 remedial action pursuant to the Site Remediation Program
4 of the Environmental Protection Act. Determinations as to
5 credit availability for purposes of this Section shall be
6 made consistent with rules adopted by the Pollution
7 Control Board pursuant to the Illinois Administrative
8 Procedure Act for the administration and enforcement of
9 Section 58.9 of the Environmental Protection Act. For
10 purposes of this Section, "taxpayer" includes a person
11 whose tax attributes the taxpayer has succeeded to under
12 Section 381 of the Internal Revenue Code and "related
13 party" includes the persons disallowed a deduction for
14 losses by paragraphs (b), (c), and (f)(1) of Section 267
15 of the Internal Revenue Code by virtue of being a related
16 taxpayer, as well as any of its partners. The credit
17 allowed against the tax imposed by subsections (a) and (b)
18 shall be equal to 25% of the unreimbursed eligible
19 remediation costs in excess of \$100,000 per site.

20 (ii) A credit allowed under this subsection that is
21 unused in the year the credit is earned may be carried
22 forward to each of the 5 taxable years following the year
23 for which the credit is first earned until it is used. This
24 credit shall be applied first to the earliest year for
25 which there is a liability. If there is a credit under this
26 subsection from more than one tax year that is available

1 to offset a liability, the earliest credit arising under
2 this subsection shall be applied first. A credit allowed
3 under this subsection may be sold to a buyer as part of a
4 sale of all or part of the remediation site for which the
5 credit was granted. The purchaser of a remediation site
6 and the tax credit shall succeed to the unused credit and
7 remaining carry-forward period of the seller. To perfect
8 the transfer, the assignor shall record the transfer in
9 the chain of title for the site and provide written notice
10 to the Director of the Illinois Department of Revenue of
11 the assignor's intent to sell the remediation site and the
12 amount of the tax credit to be transferred as a portion of
13 the sale. In no event may a credit be transferred to any
14 taxpayer if the taxpayer or a related party would not be
15 eligible under the provisions of subsection (i).

16 (iii) For purposes of this Section, the term "site"
17 shall have the same meaning as under Section 58.2 of the
18 Environmental Protection Act.

19 (o) For each of the taxable years during the Compassionate
20 Use of Medical Cannabis Program, a surcharge is imposed on all
21 taxpayers on income arising from the sale or exchange of
22 capital assets, depreciable business property, real property
23 used in the trade or business, and Section 197 intangibles of
24 an organization registrant under the Compassionate Use of
25 Medical Cannabis Program Act. The amount of the surcharge is
26 equal to the amount of federal income tax liability for the

1 taxable year attributable to those sales and exchanges. The
2 surcharge imposed does not apply if:

3 (1) the medical cannabis cultivation center
4 registration, medical cannabis dispensary registration, or
5 the property of a registration is transferred as a result
6 of any of the following:

7 (A) bankruptcy, a receivership, or a debt
8 adjustment initiated by or against the initial
9 registration or the substantial owners of the initial
10 registration;

11 (B) cancellation, revocation, or termination of
12 any registration by the Illinois Department of Public
13 Health;

14 (C) a determination by the Illinois Department of
15 Public Health that transfer of the registration is in
16 the best interests of Illinois qualifying patients as
17 defined by the Compassionate Use of Medical Cannabis
18 Program Act;

19 (D) the death of an owner of the equity interest in
20 a registrant;

21 (E) the acquisition of a controlling interest in
22 the stock or substantially all of the assets of a
23 publicly traded company;

24 (F) a transfer by a parent company to a wholly
25 owned subsidiary; or

26 (G) the transfer or sale to or by one person to

1 another person where both persons were initial owners
2 of the registration when the registration was issued;
3 or

4 (2) the cannabis cultivation center registration,
5 medical cannabis dispensary registration, or the
6 controlling interest in a registrant's property is
7 transferred in a transaction to lineal descendants in
8 which no gain or loss is recognized or as a result of a
9 transaction in accordance with Section 351 of the Internal
10 Revenue Code in which no gain or loss is recognized.

11 (p) Pass-through entity tax.

12 (1) For taxable years ending on or after December 31,
13 2021, a partnership (other than a publicly traded
14 partnership under Section 7704 of the Internal Revenue
15 Code) or Subchapter S corporation may elect to apply the
16 provisions of this subsection. A separate election shall
17 be made for each taxable year. Such election shall be made
18 at such time, and in such form and manner as prescribed by
19 the Department, and, once made, is irrevocable.

20 (2) Entity-level tax. A partnership or Subchapter S
21 corporation electing to apply the provisions of this
22 subsection shall be subject to a tax for the privilege of
23 earning or receiving income in this State in an amount
24 equal to 4.95% of the taxpayer's net income for the
25 taxable year.

26 (3) Net income defined.

1 (A) In general. For purposes of paragraph (2), the
2 term net income has the same meaning as defined in
3 Section 202 of this Act, except that, for tax years
4 ending on or after December 31, 2023, a deduction
5 shall be allowed in computing base income for
6 distributions to a retired partner to the extent that
7 the partner's distributions are exempt from tax under
8 Section 203(a)(2)(F) of this Act. In addition, the
9 following modifications shall not apply:

10 (i) the standard exemption allowed under
11 Section 204;

12 (ii) the deduction for net losses allowed
13 under Section 207;

14 (iii) in the case of an S corporation, the
15 modification under Section 203(b)(2)(S); and

16 (iv) in the case of a partnership, the
17 modifications under Section 203(d)(2)(H) and
18 Section 203(d)(2)(I).

19 (B) Special rule for tiered partnerships. If a
20 taxpayer making the election under paragraph (1) is a
21 partner of another taxpayer making the election under
22 paragraph (1), net income shall be computed as
23 provided in subparagraph (A), except that the taxpayer
24 shall subtract its distributive share of the net
25 income of the electing partnership (including its
26 distributive share of the net income of the electing

1 partnership derived as a distributive share from
2 electing partnerships in which it is a partner).

3 (4) Credit for entity level tax. Each partner or
4 shareholder of a taxpayer making the election under this
5 Section shall be allowed a credit against the tax imposed
6 under subsections (a) and (b) of Section 201 of this Act
7 for the taxable year of the partnership or Subchapter S
8 corporation for which an election is in effect ending
9 within or with the taxable year of the partner or
10 shareholder in an amount equal to 4.95% times the partner
11 or shareholder's distributive share of the net income of
12 the electing partnership or Subchapter S corporation, but
13 not to exceed the partner's or shareholder's share of the
14 tax imposed under paragraph (1) which is actually paid by
15 the partnership or Subchapter S corporation. If the
16 taxpayer is a partnership or Subchapter S corporation that
17 is itself a partner of a partnership making the election
18 under paragraph (1), the credit under this paragraph shall
19 be allowed to the taxpayer's partners or shareholders (or
20 if the partner is a partnership or Subchapter S
21 corporation then its partners or shareholders) in
22 accordance with the determination of income and
23 distributive share of income under Sections 702 and 704
24 and Subchapter S of the Internal Revenue Code. If the
25 amount of the credit allowed under this paragraph exceeds
26 the partner's or shareholder's liability for tax imposed

1 under subsections (a) and (b) of Section 201 of this Act
2 for the taxable year, such excess shall be treated as an
3 overpayment for purposes of Section 909 of this Act.

4 (5) Nonresidents. A nonresident individual who is a
5 partner or shareholder of a partnership or Subchapter S
6 corporation for a taxable year for which an election is in
7 effect under paragraph (1) shall not be required to file
8 an income tax return under this Act for such taxable year
9 if the only source of net income of the individual (or the
10 individual and the individual's spouse in the case of a
11 joint return) is from an entity making the election under
12 paragraph (1) and the credit allowed to the partner or
13 shareholder under paragraph (4) equals or exceeds the
14 individual's liability for the tax imposed under
15 subsections (a) and (b) of Section 201 of this Act for the
16 taxable year.

17 (6) Liability for tax. Except as provided in this
18 paragraph, a partnership or Subchapter S making the
19 election under paragraph (1) is liable for the
20 entity-level tax imposed under paragraph (2). If the
21 electing partnership or corporation fails to pay the full
22 amount of tax deemed assessed under paragraph (2), the
23 partners or shareholders shall be liable to pay the tax
24 assessed (including penalties and interest). Each partner
25 or shareholder shall be liable for the unpaid assessment
26 based on the ratio of the partner's or shareholder's share

1 of the net income of the partnership over the total net
2 income of the partnership. If the partnership or
3 Subchapter S corporation fails to pay the tax assessed
4 (including penalties and interest) and thereafter an
5 amount of such tax is paid by the partners or
6 shareholders, such amount shall not be collected from the
7 partnership or corporation.

8 (7) Foreign tax. For purposes of the credit allowed
9 under Section 601(b)(3) of this Act, tax paid by a
10 partnership or Subchapter S corporation to another state
11 which, as determined by the Department, is substantially
12 similar to the tax imposed under this subsection, shall be
13 considered tax paid by the partner or shareholder to the
14 extent that the partner's or shareholder's share of the
15 income of the partnership or Subchapter S corporation
16 allocated and apportioned to such other state bears to the
17 total income of the partnership or Subchapter S
18 corporation allocated or apportioned to such other state.

19 (8) Suspension of withholding. The provisions of
20 Section 709.5 of this Act shall not apply to a partnership
21 or Subchapter S corporation for the taxable year for which
22 an election under paragraph (1) is in effect.

23 (9) Requirement to pay estimated tax. For each taxable
24 year for which an election under paragraph (1) is in
25 effect, a partnership or Subchapter S corporation is
26 required to pay estimated tax for such taxable year under

1 Sections 803 and 804 of this Act if the amount payable as
2 estimated tax can reasonably be expected to exceed \$500.

3 (10) The provisions of this subsection shall apply
4 only with respect to taxable years for which the
5 limitation on individual deductions applies under Section
6 164(b) (6) of the Internal Revenue Code.

7 (Source: P.A. 103-9, eff. 6-7-23; 103-396, eff. 1-1-24;
8 103-595, eff. 6-26-24; 103-605, eff. 7-1-24; 104-453, eff.
9 12-12-25.)

10 (35 ILCS 5/220)

11 Sec. 220. Angel investment credit.

12 (a) As used in this Section:

13 "Applicant" means a corporation, partnership, limited
14 liability company, or a natural person that makes an
15 investment in a qualified new business venture. The term
16 "applicant" does not include (i) a corporation, partnership,
17 limited liability company, or a natural person who has a
18 direct or indirect ownership interest of at least 51% in the
19 profits, capital, or value of the qualified new business
20 venture receiving the investment or (ii) a related member.

21 "Claimant" means an applicant certified by the Department
22 who files a claim for a credit under this Section.

23 "Department" means the Department of Commerce and Economic
24 Opportunity.

25 "Investment" means money (or its equivalent) given to a

1 qualified new business venture, at a risk of loss, in
2 consideration for an equity interest of the qualified new
3 business venture. The Department may adopt rules to permit
4 certain forms of contingent equity investments to be
5 considered eligible for a tax credit under this Section.

6 "Qualified new business venture" means a business that is
7 registered with the Department under this Section.

8 "Related member" means a person that, with respect to the
9 applicant, is any one of the following:

10 (1) An individual, if the individual and the members
11 of the individual's family (as defined in Section 318 of
12 the Internal Revenue Code) own directly, indirectly,
13 beneficially, or constructively, in the aggregate, at
14 least 50% of the value of the outstanding profits,
15 capital, stock, or other ownership interest in the
16 qualified new business venture that is the recipient of
17 the applicant's investment.

18 (2) A partnership, estate, or trust and any partner or
19 beneficiary, if the partnership, estate, or trust and its
20 partners or beneficiaries own directly, indirectly,
21 beneficially, or constructively, in the aggregate, at
22 least 50% of the profits, capital, stock, or other
23 ownership interest in the qualified new business venture
24 that is the recipient of the applicant's investment.

25 (3) A corporation, and any party related to the
26 corporation in a manner that would require an attribution

1 of stock from the corporation under the attribution rules
2 of Section 318 of the Internal Revenue Code, if the
3 applicant and any other related member own, in the
4 aggregate, directly, indirectly, beneficially, or
5 constructively, at least 50% of the value of the
6 outstanding stock of the qualified new business venture
7 that is the recipient of the applicant's investment.

8 (4) A corporation and any party related to that
9 corporation in a manner that would require an attribution
10 of stock from the corporation to the party or from the
11 party to the corporation under the attribution rules of
12 Section 318 of the Internal Revenue Code, if the
13 corporation and all such related parties own, in the
14 aggregate, at least 50% of the profits, capital, stock, or
15 other ownership interest in the qualified new business
16 venture that is the recipient of the applicant's
17 investment.

18 (5) A person to or from whom there is attribution of
19 ownership of stock in the qualified new business venture
20 that is the recipient of the applicant's investment in
21 accordance with Section 1563(e) of the Internal Revenue
22 Code, except that for purposes of determining whether a
23 person is a related member under this paragraph, "20%"
24 shall be substituted for "5%" whenever "5%" appears in
25 Section 1563(e) of the Internal Revenue Code.

26 (b) For taxable years beginning after December 31, 2010,

1 and ending on or before December 31, 2032 ~~December 31, 2026~~,
2 subject to the limitations provided in this Section, a
3 claimant may claim, as a credit against the tax imposed under
4 subsections (a) and (b) of Section 201 of this Act, an amount
5 equal to 25% of the claimant's investment made directly in a
6 qualified new business venture. However, the amount of the
7 credit is 35% of the claimant's investment made directly in
8 the qualified new business venture if the investment is made
9 in: (1) a qualified new business venture that is a
10 minority-owned business, a women-owned business, or a business
11 owned by a person with a disability (as those terms are used
12 and defined in the Business Enterprise for Minorities, Women,
13 and Persons with Disabilities Act); or (2) a qualified new
14 business venture in which the principal place of business is
15 located in a county with a population of not more than 250,000.
16 In order for an investment in a qualified new business venture
17 to be eligible for tax credits, the business must have applied
18 for and received certification under subsection (e) for the
19 taxable year in which the investment was made prior to the date
20 on which the investment was made. The credit under this
21 Section may not exceed the taxpayer's Illinois income tax
22 liability for the taxable year. If the amount of the credit
23 exceeds the tax liability for the year, the excess may be
24 carried forward and applied to the tax liability of the 5
25 taxable years following the excess credit year. The credit
26 shall be applied to the earliest year for which there is a tax

1 liability. If there are credits from more than one tax year
2 that are available to offset a liability, the earlier credit
3 shall be applied first. In the case of a partnership or
4 Subchapter S Corporation, the credit is allowed to the
5 partners or shareholders in accordance with the determination
6 of income and distributive share of income under Sections 702
7 and 704 and Subchapter S of the Internal Revenue Code.

8 (c) The minimum amount an applicant must invest in any
9 single qualified new business venture in order to be eligible
10 for a credit under this Section is \$10,000. The maximum amount
11 of an applicant's total investment made in any single
12 qualified new business venture that may be used as the basis
13 for a credit under this Section is \$2,000,000.

14 (d) The Department shall implement a program to certify an
15 applicant for an angel investment credit. Upon satisfactory
16 review, the Department shall issue a tax credit certificate
17 stating the amount of the tax credit to which the applicant is
18 entitled. The Department shall annually certify that: (i) each
19 qualified new business venture that receives an angel
20 investment under this Section has maintained a minimum
21 employment threshold, as defined by rule, in the State (and
22 continues to maintain a minimum employment threshold in the
23 State for a period of no less than 3 years from the issue date
24 of the last tax credit certificate issued by the Department
25 with respect to such business pursuant to this Section); and
26 (ii) the claimant's investment has been made and remains,

1 except in the event of a qualifying liquidity event, in the
2 qualified new business venture for no less than 3 years.

3 If an investment for which a claimant is allowed a credit
4 under subsection (b) is held by the claimant for less than 3
5 years, other than as a result of a permitted sale of the
6 investment to person who is not a related member, the claimant
7 shall pay to the Department of Revenue, in the manner
8 prescribed by the Department of Revenue, the aggregate amount
9 of the disqualified credits that the claimant received related
10 to the subject investment.

11 If the Department determines that a qualified new business
12 venture failed to maintain a minimum employment threshold in
13 the State through the date which is 3 years from the issue date
14 of the last tax credit certificate issued by the Department
15 with respect to the subject business pursuant to this Section,
16 except for any 3-year reporting period that includes March 13,
17 2020 to January 1, 2024, the claimant or claimants shall pay to
18 the Department of Revenue, in the manner prescribed by the
19 Department of Revenue, the aggregate amount of the
20 disqualified credits that claimant or claimants received
21 related to investments in that business. For tax credits under
22 this Section involving a 3-year reporting period that includes
23 March 13, 2020 to January 1, 2024, the repayment of any tax
24 credits issued shall be determined at the discretion of the
25 Department.

26 (e) The Department shall implement a program to register

1 qualified new business ventures for purposes of this Section.
2 A business desiring registration under this Section shall be
3 required to submit a full and complete application to the
4 Department. A submitted application shall be effective only
5 for the taxable year in which it is submitted, and a business
6 desiring registration under this Section shall be required to
7 submit a separate application in and for each taxable year for
8 which the business desires registration. Further, if at any
9 time prior to the acceptance of an application for
10 registration under this Section by the Department one or more
11 events occurs which makes the information provided in that
12 application materially false or incomplete (in whole or in
13 part), the business shall promptly notify the Department of
14 the same. Any failure of a business to promptly provide the
15 foregoing information to the Department may, at the discretion
16 of the Department, result in a revocation of a previously
17 approved application for that business, or disqualification of
18 the business from future registration under this Section, or
19 both. The Department may register the business only if all of
20 the following conditions are satisfied:

21 (1) it has its principal place of business in this
22 State;

23 (2) at least 51% of the employees employed by the
24 business are employed in this State;

25 (3) the business has the potential for increasing jobs
26 in this State, increasing capital investment in this

1 State, or both, as determined by the Department, and
2 either of the following apply:

3 (A) it is principally engaged in innovation in any
4 of the following: manufacturing; biotechnology;
5 nanotechnology; communications; agricultural
6 sciences; clean energy creation or storage technology;
7 processing or assembling products, including medical
8 devices, pharmaceuticals, computer software, computer
9 hardware, semiconductors, other innovative technology
10 products, or other products that are produced using
11 manufacturing methods that are enabled by applying
12 proprietary technology; or providing services that are
13 enabled by applying proprietary technology; or

14 (B) it is undertaking pre-commercialization
15 activity related to proprietary technology that
16 includes conducting research, developing a new product
17 or business process, or developing a service that is
18 principally reliant on applying proprietary
19 technology;

20 (4) it is not principally engaged in real estate
21 development, insurance, banking, lending, lobbying,
22 political consulting, professional services provided by
23 attorneys, accountants, business consultants, physicians,
24 or health care consultants, wholesale or retail trade,
25 leisure, hospitality, transportation, or construction,
26 except construction of power production plants that derive

1 energy from a renewable energy resource, as defined in
2 Section 1 of the Illinois Power Agency Act;

3 (5) at the time it is first certified:

4 (A) it has fewer than 100 employees;

5 (B) it has been in operation in Illinois for not
6 more than 10 consecutive years prior to the year of
7 certification; and

8 (C) it has received not more than \$10,000,000 in
9 aggregate investments;

10 (5.1) it agrees to maintain a minimum employment
11 threshold in the State of Illinois prior to the date which
12 is 3 years from the issue date of the last tax credit
13 certificate issued by the Department with respect to that
14 business pursuant to this Section;

15 (6) (blank); and

16 (7) it has received not more than \$4,000,000 in
17 investments that qualified for tax credits under this
18 Section.

19 (f) The Department, in consultation with the Department of
20 Revenue, shall adopt rules to administer this Section. For
21 taxable years beginning before January 1, 2024, the aggregate
22 amount of the tax credits that may be claimed under this
23 Section for investments made in qualified new business
24 ventures shall be limited to \$10,000,000 per calendar year, of
25 which \$500,000 shall be reserved for investments made in
26 qualified new business ventures which are minority-owned

1 businesses, women-owned businesses, or businesses owned by a
2 person with a disability (as those terms are used and defined
3 in the Business Enterprise for Minorities, Women, and Persons
4 with Disabilities Act), and an additional \$500,000 shall be
5 reserved for investments made in qualified new business
6 ventures with their principal place of business in counties
7 with a population of not more than 250,000. For taxable years
8 beginning on or after January 1, 2024, the aggregate amount of
9 the tax credits that may be claimed under this Section for
10 investments made in qualified new business ventures shall be
11 limited to \$15,000,000 per calendar year, of which \$2,500,000
12 shall be reserved for investments made in qualified new
13 business ventures that are minority-owned businesses (as the
14 term is defined in the Business Enterprise for Minorities,
15 Women, and Persons with Disabilities Act), \$1,250,000 shall be
16 reserved for investments made in qualified new business
17 ventures that are women-owned businesses or businesses owned
18 by a person with a disability (as those terms are defined in
19 the Business Enterprise for Minorities, Women, and Persons
20 with Disabilities Act), and \$1,250,000 shall be reserved for
21 investments made in qualified new business ventures with their
22 principal place of business in a county with a population of
23 not more than 250,000. The annual allowable amounts set forth
24 in this Section shall be allocated by the Department, on a per
25 calendar quarter basis and prior to the commencement of each
26 calendar year, in such proportion as determined by the

1 Department, provided that: (i) the amount initially allocated
2 by the Department for any one calendar quarter shall not
3 exceed 35% of the total allowable amount; (ii) any portion of
4 the allocated allowable amount remaining unused as of the end
5 of any of the first 3 calendar quarters of a given calendar
6 year shall be rolled into, and added to, the total allocated
7 amount for the next available calendar quarter; and (iii) the
8 reservation of tax credits for investments in minority-owned
9 businesses, women-owned businesses, businesses owned by a
10 person with a disability, and in businesses in counties with a
11 population of not more than 250,000 is limited to the first 3
12 calendar quarters of a given calendar year, after which they
13 may be claimed by investors in any qualified new business
14 venture.

15 (g) A claimant may not sell or otherwise transfer a credit
16 awarded under this Section to another person.

17 (h) On or before March 1 of each year, the Department shall
18 report to the Governor and to the General Assembly on the tax
19 credit certificates awarded under this Section for the prior
20 calendar year.

21 (1) This report must include, for each tax credit
22 certificate awarded:

23 (A) the name of the claimant and the amount of
24 credit awarded or allocated to that claimant;

25 (B) the name and address (including the county) of
26 the qualified new business venture that received the

1 investment giving rise to the credit, the North
2 American Industry Classification System (NAICS) code
3 applicable to that qualified new business venture, and
4 the number of employees of the qualified new business
5 venture; and

6 (C) the date of approval by the Department of each
7 claimant's tax credit certificate.

8 (2) The report must also include:

9 (A) the total number of applicants and the total
10 number of claimants, including the amount of each tax
11 credit certificate awarded to a claimant under this
12 Section in the prior calendar year;

13 (B) the total number of applications from
14 businesses seeking registration under this Section,
15 the total number of new qualified business ventures
16 registered by the Department, and the aggregate amount
17 of investment upon which tax credit certificates were
18 issued in the prior calendar year; and

19 (C) the total amount of tax credit certificates
20 sought by applicants, the amount of each tax credit
21 certificate issued to a claimant, the aggregate amount
22 of all tax credit certificates issued in the prior
23 calendar year and the aggregate amount of tax credit
24 certificates issued as authorized under this Section
25 for all calendar years.

26 (i) For each business seeking registration under this

1 Section after December 31, 2016, the Department shall require
2 the business to include in its application the North American
3 Industry Classification System (NAICS) code applicable to the
4 business and the number of employees of the business at the
5 time of application. Each business registered by the
6 Department as a qualified new business venture that receives
7 an investment giving rise to the issuance of a tax credit
8 certificate pursuant to this Section shall, for each of the 3
9 years following the issue date of the last tax credit
10 certificate issued by the Department with respect to such
11 business pursuant to this Section, report to the Department
12 the following:

13 (1) the number of employees and the location at which
14 those employees are employed, both as of the end of each
15 year;

16 (2) the amount of additional new capital investment
17 raised as of the end of each year, if any; and

18 (3) the terms of any liquidity event occurring during
19 such year; for the purposes of this Section, a "liquidity
20 event" means any event that would be considered an exit
21 for an illiquid investment, including any event that
22 allows the equity holders of the business (or any material
23 portion thereof) to cash out some or all of their
24 respective equity interests.

25 (Source: P.A. 102-16, eff. 6-17-21; 103-9, eff. 1-1-24;
26 103-945, eff. 8-9-24.)

1 (35 ILCS 5/221)

2 Sec. 221. Rehabilitation costs; qualified historic
3 properties; River Edge Redevelopment Zone.

4 (a) For taxable years that begin on or after January 1,
5 2012 and begin prior to January 1, 2018, there shall be allowed
6 a tax credit against the tax imposed by subsections (a) and (b)
7 of Section 201 of this Act in an amount equal to 25% of
8 qualified expenditures incurred by a qualified taxpayer during
9 the taxable year in the restoration and preservation of a
10 qualified historic structure located in a River Edge
11 Redevelopment Zone pursuant to a qualified rehabilitation
12 plan, provided that the total amount of such expenditures (i)
13 must equal \$5,000 or more and (ii) must exceed 50% of the
14 purchase price of the property.

15 (a-1) For taxable years that begin on or after January 1,
16 2018 and end prior to January 1, 2034 ~~January 1, 2029~~, there
17 shall be allowed a tax credit against the tax imposed by
18 subsections (a) and (b) of Section 201 of this Act in an
19 aggregate amount equal to 25% of qualified expenditures
20 incurred by a qualified taxpayer in the restoration and
21 preservation of a qualified historic structure located in a
22 River Edge Redevelopment Zone pursuant to a qualified
23 rehabilitation plan, provided that the total amount of such
24 expenditures must (i) equal \$5,000 or more and (ii) exceed the
25 adjusted basis of the qualified historic structure on the

1 first day the qualified rehabilitation plan begins. For any
2 rehabilitation project, regardless of duration or number of
3 phases, the project's compliance with the foregoing provisions
4 (i) and (ii) shall be determined based on the aggregate amount
5 of qualified expenditures for the entire project and may
6 include expenditures incurred under subsection (a), this
7 subsection, or both subsection (a) and this subsection. If the
8 qualified rehabilitation plan spans multiple years, the
9 aggregate credit for the entire project shall be allowed in
10 the last taxable year, except for phased rehabilitation
11 projects, which may receive credits upon completion of each
12 phase. Before obtaining the first phased credit: (A) the total
13 amount of such expenditures must meet the requirements of
14 provisions (i) and (ii) of this subsection; (B) the
15 rehabilitated portion of the qualified historic structure must
16 be placed in service; and (C) the requirements of subsection
17 (b) must be met.

18 (a-2) For taxable years beginning on or after January 1,
19 2021 and ending prior to January 1, 2029, there shall be
20 allowed a tax credit against the tax imposed by subsections
21 (a) and (b) of Section 201 as provided in Section 10-10.3 of
22 the River Edge Redevelopment Zone Act. The credit allowed
23 under this subsection (a-2) shall apply only to taxpayers that
24 make a capital investment of at least \$1,000,000 in a
25 qualified rehabilitation plan.

26 The credit or credits may not reduce the taxpayer's

1 liability to less than zero. If the amount of the credit or
2 credits exceeds the taxpayer's liability, the excess may be
3 carried forward and applied against the taxpayer's liability
4 in succeeding calendar years in the manner provided under
5 paragraph (4) of Section 211 of this Act. The credit or credits
6 shall be applied to the earliest year for which there is a tax
7 liability. If there are credits from more than one taxable
8 year that are available to offset a liability, the earlier
9 credit shall be applied first.

10 For partners, shareholders of Subchapter S corporations,
11 and owners of limited liability companies, if the liability
12 company is treated as a partnership for the purposes of
13 federal and State income taxation, there shall be allowed a
14 credit under this Section to be determined in accordance with
15 the determination of income and distributive share of income
16 under Sections 702 and 704 and Subchapter S of the Internal
17 Revenue Code.

18 The total aggregate amount of credits awarded under the
19 Blue Collar Jobs Act (Article 20 of this amendatory Act of the
20 101st General Assembly) shall not exceed \$20,000,000 in any
21 State fiscal year.

22 (b) To obtain a tax credit pursuant to this Section, the
23 taxpayer must apply with the Department of Natural Resources.
24 The Department of Natural Resources shall determine the amount
25 of eligible rehabilitation costs and expenses in addition to
26 the amount of the River Edge construction jobs credit within

1 45 days of receipt of a complete application. The taxpayer
2 must submit a certification of costs prepared by an
3 independent certified public accountant that certifies (i) the
4 project expenses, (ii) whether those expenses are qualified
5 expenditures, and (iii) that the qualified expenditures exceed
6 the adjusted basis of the qualified historic structure on the
7 first day the qualified rehabilitation plan commenced. The
8 Department of Natural Resources is authorized, but not
9 required, to accept this certification of costs to determine
10 the amount of qualified expenditures and the amount of the
11 credit. The Department of Natural Resources shall provide
12 guidance as to the minimum standards to be followed in the
13 preparation of such certification. The Department of Natural
14 Resources and the National Park Service shall determine
15 whether the rehabilitation is consistent with the United
16 States Secretary of the Interior's Standards for
17 Rehabilitation.

18 (b-1) Upon completion of the project and approval of the
19 complete application, the Department of Natural Resources
20 shall issue a single certificate in the amount of the eligible
21 credits equal to 25% of qualified expenditures incurred during
22 the eligible taxable years, as defined in subsections (a) and
23 (a-1), excepting any credits awarded under subsection (a)
24 prior to January 1, 2019 (the effective date of Public Act
25 100-629) and any phased credits issued prior to the eligible
26 taxable year under subsection (a-1). At the time the

1 certificate is issued, an issuance fee up to the maximum
2 amount of 2% of the amount of the credits issued by the
3 certificate may be collected from the applicant to administer
4 the provisions of this Section. If collected, this issuance
5 fee shall be deposited into the Historic Property
6 Administrative Fund, a special fund created in the State
7 treasury. Subject to appropriation, moneys in the Historic
8 Property Administrative Fund shall be provided to the
9 Department of Natural Resources as reimbursement for the costs
10 associated with administering this Section.

11 (c) The taxpayer must attach the certificate to the tax
12 return on which the credits are to be claimed. The tax credit
13 under this Section may not reduce the taxpayer's liability to
14 less than zero. If the amount of the credit exceeds the tax
15 liability for the year, the excess credit may be carried
16 forward and applied to the tax liability of the 5 taxable years
17 following the excess credit year.

18 (c-1) Subject to appropriation, moneys in the Historic
19 Property Administrative Fund shall be used, on a biennial
20 basis beginning at the end of the second fiscal year after
21 January 1, 2019 (the effective date of Public Act 100-629), to
22 hire a qualified third party to prepare a biennial report to
23 assess the overall economic impact to the State from the
24 qualified rehabilitation projects under this Section completed
25 in that year and in previous years. The overall economic
26 impact shall include at least: (1) the direct and indirect or

1 induced economic impacts of completed projects; (2) temporary,
2 permanent, and construction jobs created; (3) sales, income,
3 and property tax generation before, during construction, and
4 after completion; and (4) indirect neighborhood impact after
5 completion. The report shall be submitted to the Governor and
6 the General Assembly. The report to the General Assembly shall
7 be filed with the Clerk of the House of Representatives and the
8 Secretary of the Senate in electronic form only, in the manner
9 that the Clerk and the Secretary shall direct.

10 (c-2) The Department of Natural Resources may adopt rules
11 to implement this Section in addition to the rules expressly
12 authorized in this Section.

13 (d) As used in this Section, the following terms have the
14 following meanings.

15 "Phased rehabilitation" means a project that is completed
16 in phases, as defined under Section 47 of the federal Internal
17 Revenue Code and pursuant to National Park Service regulations
18 at 36 C.F.R. 67.

19 "Placed in service" means the date when the property is
20 placed in a condition or state of readiness and availability
21 for a specifically assigned function as defined under Section
22 47 of the federal Internal Revenue Code and federal Treasury
23 Regulation Sections 1.46 and 1.48.

24 "Qualified expenditure" means all the costs and expenses
25 defined as qualified rehabilitation expenditures under Section
26 47 of the federal Internal Revenue Code that were incurred in

1 connection with a qualified historic structure.

2 "Qualified historic structure" means a certified historic
3 structure as defined under Section 47(c)(3) of the federal
4 Internal Revenue Code.

5 "Qualified rehabilitation plan" means a project that is
6 approved by the Department of Natural Resources and the
7 National Park Service as being consistent with the United
8 States Secretary of the Interior's Standards for
9 Rehabilitation.

10 "Qualified taxpayer" means the owner of the qualified
11 historic structure or any other person who qualifies for the
12 federal rehabilitation credit allowed by Section 47 of the
13 federal Internal Revenue Code with respect to that qualified
14 historic structure. Partners, shareholders of subchapter S
15 corporations, and owners of limited liability companies (if
16 the limited liability company is treated as a partnership for
17 purposes of federal and State income taxation) are entitled to
18 a credit under this Section to be determined in accordance
19 with the determination of income and distributive share of
20 income under Sections 702 and 703 and subchapter S of the
21 Internal Revenue Code, provided that credits granted to a
22 partnership, a limited liability company taxed as a
23 partnership, or other multiple owners of property shall be
24 passed through to the partners, members, or owners
25 respectively on a pro rata basis or pursuant to an executed
26 agreement among the partners, members, or owners documenting

1 any alternate distribution method.

2 (Source: P.A. 104-434, eff. 11-21-25.)

3 (35 ILCS 5/231)

4 Sec. 231. Apprenticeship education expense credit.

5 (a) As used in this Section:

6 "Accredited training organization" means an organization
7 that:

8 (1) incurs costs related to training apprentice
9 employees;

10 (2) maintains an apprenticeship program approved by
11 the United States Department of Labor, Office of
12 Apprenticeships, that results in an industry-recognized
13 credential; and either

14 (3) is affiliated with a public or nonpublic secondary
15 school in Illinois and is:

16 (A) an institution of higher education that
17 provides a program that leads to an
18 industry-recognized postsecondary credential or
19 degree;

20 (B) an entity that carries out programs that
21 are registered under the federal National
22 Apprenticeship Act; or

23 (C) a public or private provider of a program
24 of training services, including, but not limited to, a
25 joint labor-management organization; or

1 (4) is not affiliated with a public or nonpublic
2 secondary school in Illinois but receives preapproval from
3 the Department to receive tax credits under this Section.

4 "Department" means the Department of Commerce and Economic
5 Opportunity.

6 "Employer" means an Illinois taxpayer who is the employer
7 of the qualifying apprentice.

8 "Qualifying apprentice" means an individual who: (i) is a
9 resident of the State of Illinois; (ii) is at least 16 years
10 old at the close of the school year for which a credit is
11 sought; (iii) during the school year for which a credit is
12 sought, was a full-time apprentice enrolled in an
13 apprenticeship program which is registered with the United
14 States Department of Labor, Office of Apprenticeship; and (iv)
15 is employed in Illinois by the taxpayer who is the employer.

16 "Qualified education expense" means the amount incurred on
17 behalf of a qualifying apprentice not to exceed \$3,500 for
18 tuition, instructional materials, fees (including, but not
19 limited to, book, license, and lab fees), or other expenses
20 that are directly related to training the apprentices and that
21 are preapproved by the Department. All expenses must be paid
22 to or incurred for training at the school, community college,
23 or organization where the apprentice receives training.

24 (b) For taxable years beginning on or after January 1,
25 2020, and beginning on or before January 1, 2032 ~~January 1,~~
26 ~~2027~~, the employer of one or more qualifying apprentices shall

1 be allowed a credit against the tax imposed by subsections (a)
2 and (b) of Section 201 of the Illinois Income Tax Act. The
3 credit shall be equal to \$3,500 per qualifying apprentice. A
4 taxpayer shall be entitled to an additional \$1,500 credit
5 against the tax imposed by subsections (a) and (b) of Section
6 201 of the Illinois Income Tax Act if (i) the qualifying
7 apprentice resides in an underserved area as defined in
8 Section 5-5 of the Economic Development for a Growing Economy
9 Tax Credit Act during the school year for which a credit is
10 sought by an employer or (ii) the employer's principal place
11 of business is located in an underserved area, as defined in
12 Section 5-5 of the Economic Development for a Growing Economy
13 Tax Credit Act. In no event shall a credit under this Section
14 reduce the taxpayer's liability under this Act to less than
15 zero. For taxable years ending before December 31, 2023, for
16 partners, shareholders of Subchapter S corporations, and
17 owners of limited liability companies, if the liability
18 company is treated as a partnership for purposes of federal
19 and State income taxation, there shall be allowed a credit
20 under this Section to be determined in accordance with the
21 determination of income and distributive share of income under
22 Sections 702 and 704 and Subchapter S of the Internal Revenue
23 Code. For taxable years ending on or after December 31, 2023,
24 partners and shareholders of subchapter S corporations are
25 entitled to a credit under this Section as provided in Section
26 251.

1 (c) The Department shall implement a program to certify
2 applicants for an apprenticeship credit under this Section.
3 Upon satisfactory review, the Department shall issue a tax
4 credit certificate to an employer incurring costs on behalf of
5 a qualifying apprentice stating the amount of the tax credit
6 to which the employer is entitled. If the employer is seeking a
7 tax credit for multiple qualifying apprentices, the Department
8 may issue a single tax credit certificate that encompasses the
9 aggregate total of tax credits for qualifying apprentices for
10 a single employer.

11 (d) The Department, in addition to those powers granted
12 under the Civil Administrative Code of Illinois, is granted
13 and shall have all the powers necessary or convenient to carry
14 out and effectuate the purposes and provisions of this
15 Section, including, but not limited to, power and authority
16 to:

17 (1) Adopt rules deemed necessary and appropriate for
18 the administration of this Section; establish forms for
19 applications, notifications, contracts, or any other
20 agreements; and accept applications at any time during the
21 year and require that all applications be submitted via
22 the Internet. The Department shall require that
23 applications be submitted in electronic form.

24 (2) Provide guidance and assistance to applicants
25 pursuant to the provisions of this Section and cooperate
26 with applicants to promote, foster, and support job

1 creation within the State.

2 (3) Enter into agreements and memoranda of
3 understanding for participation of and engage in
4 cooperation with agencies of the federal government, units
5 of local government, universities, research foundations or
6 institutions, regional economic development corporations,
7 or other organizations for the purposes of this Section.

8 (4) Gather information and conduct inquiries, in the
9 manner and by the methods it deems desirable, including,
10 without limitation, gathering information with respect to
11 applicants for the purpose of making any designations or
12 certifications necessary or desirable or to gather
13 information in furtherance of the purposes of this Act.

14 (5) Establish, negotiate, and effectuate any term,
15 agreement, or other document with any person necessary or
16 appropriate to accomplish the purposes of this Section,
17 and consent, subject to the provisions of any agreement
18 with another party, to the modification or restructuring
19 of any agreement to which the Department is a party.

20 (6) Provide for sufficient personnel to permit
21 administration, staffing, operation, and related support
22 required to adequately discharge its duties and
23 responsibilities described in this Section from funds made
24 available through charges to applicants or from funds as
25 may be appropriated by the General Assembly for the
26 administration of this Section.

1 (7) Require applicants, upon written request, to issue
2 any necessary authorization to the appropriate federal,
3 State, or local authority or any other person for the
4 release to the Department of information requested by the
5 Department, including, but not be limited to, financial
6 reports, returns, or records relating to the applicant or
7 to the amount of credit allowable under this Section.

8 (8) Require that an applicant shall, at all times,
9 keep proper books of record and account in accordance with
10 generally accepted accounting principles consistently
11 applied, with the books, records, or papers related to the
12 agreement in the custody or control of the applicant open
13 for reasonable Department inspection and audits,
14 including, without limitation, the making of copies of the
15 books, records, or papers.

16 (9) Take whatever actions are necessary or appropriate
17 to protect the State's interest in the event of
18 bankruptcy, default, foreclosure, or noncompliance with
19 the terms and conditions of financial assistance or
20 participation required under this Section or any agreement
21 entered into under this Section, including the power to
22 sell, dispose of, lease, or rent, upon terms and
23 conditions determined by the Department to be appropriate,
24 real or personal property that the Department may recover
25 as a result of these actions.

26 (e) The Department, in consultation with the Department of

1 Revenue, shall adopt rules to administer this Section. The
2 aggregate amount of the tax credits that may be claimed under
3 this Section for qualified education expenses incurred by an
4 employer on behalf of a qualifying apprentice shall be limited
5 to \$5,000,000 per calendar year. If applications for a greater
6 amount are received, credits shall be allowed on a first-come
7 first-served basis, based on the date on which each properly
8 completed application for a certificate of eligibility is
9 received by the Department. If more than one certificate is
10 received on the same day, the credits will be awarded based on
11 the time of submission for that particular day.

12 (f) An employer may not sell or otherwise transfer a
13 credit awarded under this Section to another person or
14 taxpayer.

15 (g) The employer shall provide the Department such
16 information as the Department may require, including, but not
17 limited to: (i) the name, age, and identification number of
18 each qualifying apprentice employed by the taxpayer during the
19 taxable year; (ii) the amount of qualified education expenses
20 incurred with respect to each qualifying apprentice; and (iii)
21 the name of the accredited training organization at which the
22 qualifying apprentice is enrolled and the qualified education
23 expenses are incurred.

24 (h) On or before July 1 of each year, the Department shall
25 report to the Governor and the General Assembly on the tax
26 credit certificates awarded under this Section for the prior

1 calendar year. The report must include:

2 (1) the name of each employer awarded or allocated a
3 credit;

4 (2) the number of qualifying apprentices for whom the
5 employer has incurred qualified education expenses;

6 (3) the North American Industry Classification System
7 (NAICS) code applicable to each employer awarded or
8 allocated a credit;

9 (4) the amount of the credit awarded or allocated to
10 each employer;

11 (5) the total number of employers awarded or allocated
12 a credit;

13 (6) the total number of qualifying apprentices for
14 whom employers receiving credits under this Section
15 incurred qualified education expenses; and

16 (7) the average cost to the employer of all
17 apprenticeships receiving credits under this Section.

18 (Source: P.A. 103-396, eff. 1-1-24; 103-1059, eff. 12-20-24;
19 104-6, eff. 6-16-25; 104-434, eff. 11-21-25.)

20 (35 ILCS 5/242)

21 Sec. 242. Music and Musicians Tax Credits and Jobs Act.
22 Taxpayers who have been awarded a credit under the Music and
23 Musicians Tax Credits and Jobs Act are entitled to a credit
24 against the taxes imposed by subsections (a) and (b) of
25 Section 201 of this Act in an amount determined by the

1 Department of Commerce and Economic Opportunity under that
2 Act. The credit shall be claimed for ~~in~~ the taxable year in
3 which the tax credit award certificate is issued, and the
4 certificate shall be attached to the return. If the taxpayer
5 is a partnership or Subchapter S corporation, the credit shall
6 be allowed to the partners or shareholders in accordance with
7 the provisions of Section 251.

8 The credit may not reduce the taxpayer's liability to less
9 than zero. If the amount of the credit exceeds the tax
10 liability for the year, the excess may be carried forward and
11 applied to the tax liability of the 5 taxable years following
12 the excess credit year. The credit shall be applied to the
13 earliest year for which there is a tax liability. If there are
14 credits from more than one tax year that are available to
15 offset a liability, the earlier credit shall be applied first.

16 (Source: P.A. 103-592, Article 52, Section 52-5, eff. 6-7-24;
17 104-417, eff. 8-15-25.)

18 ARTICLE 830

19 Section 830-5. The Reimagining Energy and Vehicles in
20 Illinois Act is amended by changing Section 85 as follows:

21 (20 ILCS 686/85)

22 Sec. 85. Sunset of new agreements. The Department shall
23 not enter into any new Agreements under the provisions of this

1 Act after December 31, 2028 ~~2027~~.

2 (Source: P.A. 102-669, eff. 11-16-21.)

3 ARTICLE 995

4 Section 995-95. No acceleration or delay. Where this Act
5 makes changes in a statute that is represented in this Act by
6 text that is not yet or no longer in effect (for example, a
7 Section represented by multiple versions), the use of that
8 text does not accelerate or delay the taking effect of (i) the
9 changes made by this Act or (ii) provisions derived from any
10 other Public Act.

11 ARTICLE 997

12 Section 997-97. Severability. The provisions of this Act
13 are severable under Section 1.31 of the Statute on Statutes.

14 ARTICLE 999

15 Section 999-99. Effective date. This Act takes effect upon
16 becoming law, except that Articles 25 and 65 take effect on
17 July 1, 2026."