



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB1810

by Rep. Rita Mayfield

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.878 new	
30 ILCS 105/6z-102 new	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, and Retailers' Occupation Tax Act. Imposes a 3.75% surcharge on firearms and firearm component parts. Amends the State Finance Act. Creates the At-Risk Youth Assistance Fund. Provides that the 3.75% surcharge shall be deposited into the Fund. Sets forth the purposes for which moneys in the Fund may be used. Effective immediately.

LRB100 03919 HLH 13924 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by adding  
5 Sections 5.878 and 6z-102 as follows:

6 (30 ILCS 105/5.878 new)

7 Sec. 5.878. The At-Risk Youth Assistance Fund.

8 (30 ILCS 105/6z-102 new)

9 Sec. 6z-102. At-Risk Youth Assistance Fund; creation.

10 (a) The At-Risk Youth Assistance Fund is hereby created as  
11 a special fund in the State treasury. Moneys in the Fund may be  
12 used for the following purposes, subject to appropriation: (1)  
13 to provide community college scholarships and grants to at-risk  
14 youth; (2) to make grants for the purpose of establishing and  
15 continuing summer job programs in communities in which at-risk  
16 youth reside; (3) for juvenile justice programs; and (4) to  
17 make grants to trauma centers in high crime areas for medical  
18 emergency responses.

19 (b) For the purposes of this Section:

20 "At-risk youth" means an individual between the ages of 16  
21 and 22 who resides in a high crime area.

22 "High crime area" means a census tract in which the

1 homicide rate is more than 4 times higher than the average  
2 homicide rate for a municipality that is the same size as the  
3 municipality in which the census tract is located, according to  
4 statistics generated by the Federal Bureau of Investigation as  
5 part of the Uniform Crime Reporting (UCR) Program.

6 "Trauma center" has the same meaning as in the Emergency  
7 Medical Services (EMS) Systems Act.

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

10 (35 ILCS 105/3-10)

11 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
12 Section, the tax imposed by this Act is at the rate of 6.25% of  
13 either the selling price or the fair market value, if any, of  
14 the tangible personal property. In all cases where property  
15 functionally used or consumed is the same as the property that  
16 was purchased at retail, then the tax is imposed on the selling  
17 price of the property. In all cases where property functionally  
18 used or consumed is a by-product or waste product that has been  
19 refined, manufactured, or produced from property purchased at  
20 retail, then the tax is imposed on the lower of the fair market  
21 value, if any, of the specific property so used in this State  
22 or on the selling price of the property purchased at retail.  
23 For purposes of this Section "fair market value" means the  
24 price at which property would change hands between a willing

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

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

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

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

24 With respect to majority blended ethanol fuel, the tax  
25 imposed by this Act does not apply to the proceeds of sales  
26 made on or after July 1, 2003 and on or before December 31,

1 2018 but applies to 100% of the proceeds of sales made  
2 thereafter.

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

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

18 With respect to food for human consumption that is to be  
19 consumed off the premises where it is sold (other than  
20 alcoholic beverages, soft drinks, and food that has been  
21 prepared for immediate consumption) and prescription and  
22 nonprescription medicines, drugs, medical appliances, products  
23 classified as Class III medical devices by the United States  
24 Food and Drug Administration that are used for cancer treatment  
25 pursuant to a prescription, as well as any accessories and  
26 components related to those devices, modifications to a motor

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

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

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

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

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

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

1 use that contains a label that identifies the product as a drug  
2 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
3 label includes:

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

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

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

13 Beginning January 1, 2017, in addition to all other rates  
14 of tax imposed under this Act, a surcharge of 3.75% is imposed  
15 on the selling price of (1) each firearm purchased in the State  
16 and (2) each firearm component part that is purchased in the  
17 State and sold separately from the firearm. "Firearm" has the  
18 meaning ascribed to that term in Section 1.1 of the Firearm  
19 Owners Identification Card Act.

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



1 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15;  
2 99-858, eff. 8-19-16.)

3 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 Retailers' Occupation Tax Act, with respect to the sale of the  
2 same property.

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

13 Except as provided in this Section, on or before the  
14 twentieth day of each calendar month, such retailer shall file  
15 a return for the preceding calendar month. Such return shall be  
16 filed on forms prescribed by the Department and shall furnish  
17 such information as the Department may reasonably require.

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

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

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

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

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

10          5. The amount of tax due;

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

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

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

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

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

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

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

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

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

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

6 Before October 1, 2000, if the taxpayer's average monthly  
7 tax liability to the Department under this Act, the Retailers'  
8 Occupation Tax Act, the Service Occupation Tax Act, the Service  
9 Use Tax Act was \$10,000 or more during the preceding 4 complete  
10 calendar quarters, he shall file a return with the Department  
11 each month by the 20th day of the month next following the  
12 month during which such tax liability is incurred and shall  
13 make payments to the Department on or before the 7th, 15th,  
14 22nd and last day of the month during which such liability is  
15 incurred. On and after October 1, 2000, if the taxpayer's  
16 average monthly tax liability to the Department under this Act,  
17 the Retailers' Occupation Tax Act, the Service Occupation Tax  
18 Act, and the Service Use Tax Act was \$20,000 or more during the  
19 preceding 4 complete calendar quarters, he shall file a return  
20 with the Department each month by the 20th day of the month  
21 next following the month during which such tax liability is  
22 incurred and shall make payment to the Department on or before  
23 the 7th, 15th, 22nd and last day of the month during which such  
24 liability is incurred. If the month during which such tax  
25 liability is incurred began prior to January 1, 1985, each  
26 payment shall be in an amount equal to 1/4 of the taxpayer's

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

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

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

22 If any such payment provided for in this Section exceeds  
23 the taxpayer's liabilities under this Act, the Retailers'  
24 Occupation Tax Act, the Service Occupation Tax Act and the  
25 Service Use Tax Act, as shown by an original monthly return,  
26 the Department shall issue to the taxpayer a credit memorandum



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

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

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

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

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

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

24 In addition, with respect to motor vehicles, watercraft,  
25 aircraft, and trailers that are required to be registered with  
26 an agency of this State, every retailer selling this kind of

1 tangible personal property shall file, with the Department,  
2 upon a form to be prescribed and supplied by the Department, a  
3 separate return for each such item of tangible personal  
4 property which the retailer sells, except that if, in the same  
5 transaction, (i) a retailer of aircraft, watercraft, motor  
6 vehicles or trailers transfers more than one aircraft,  
7 watercraft, motor vehicle or trailer to another aircraft,  
8 watercraft, motor vehicle or trailer retailer for the purpose  
9 of resale or (ii) a retailer of aircraft, watercraft, motor  
10 vehicles, or trailers transfers more than one aircraft,  
11 watercraft, motor vehicle, or trailer to a purchaser for use as  
12 a qualifying rolling stock as provided in Section 3-55 of this  
13 Act, then that seller may report the transfer of all the  
14 aircraft, watercraft, motor vehicles or trailers involved in  
15 that transaction to the Department on the same uniform  
16 invoice-transaction reporting return form. For purposes of  
17 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
18 watercraft as defined in Section 3-2 of the Boat Registration  
19 and Safety Act, a personal watercraft, or any boat equipped  
20 with an inboard motor.

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

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

16 The transaction reporting return in the case of watercraft  
17 and aircraft must show the name and address of the seller; the  
18 name and address of the purchaser; the amount of the selling  
19 price including the amount allowed by the retailer for  
20 traded-in property, if any; the amount allowed by the retailer  
21 for the traded-in tangible personal property, if any, to the  
22 extent to which Section 2 of this Act allows an exemption for  
23 the value of traded-in property; the balance payable after  
24 deducting such trade-in allowance from the total selling price;  
25 the amount of tax due from the retailer with respect to such  
26 transaction; the amount of tax collected from the purchaser by

1 the retailer on such transaction (or satisfactory evidence that  
2 such tax is not due in that particular instance, if that is  
3 claimed to be the fact); the place and date of the sale, a  
4 sufficient identification of the property sold, and such other  
5 information as the Department may reasonably require.

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

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

1 that is involved (if titling or registration is required) in  
2 support of such purchaser's application for an Illinois  
3 certificate or other evidence of title or registration to such  
4 tangible personal property.

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

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

1 provided for in this Section being allowed. When the user pays  
2 the tax directly to the Department, he shall pay the tax in the  
3 same amount and in the same form in which it would be remitted  
4 if the tax had been remitted to the Department by the retailer.

5 Where a retailer collects the tax with respect to the  
6 selling price of tangible personal property which he sells and  
7 the purchaser thereafter returns such tangible personal  
8 property and the retailer refunds the selling price thereof to  
9 the purchaser, such retailer shall also refund, to the  
10 purchaser, the tax so collected from the purchaser. When filing  
11 his return for the period in which he refunds such tax to the  
12 purchaser, the retailer may deduct the amount of the tax so  
13 refunded by him to the purchaser from any other use tax which  
14 such retailer may be required to pay or remit to the  
15 Department, as shown by such return, if the amount of the tax  
16 to be deducted was previously remitted to the Department by  
17 such retailer. If the retailer has not previously remitted the  
18 amount of such tax to the Department, he is entitled to no  
19 deduction under this Act upon refunding such tax to the  
20 purchaser.

21 Any retailer filing a return under this Section shall also  
22 include (for the purpose of paying tax thereon) the total tax  
23 covered by such return upon the selling price of tangible  
24 personal property purchased by him at retail from a retailer,  
25 but as to which the tax imposed by this Act was not collected  
26 from the retailer filing such return, and such retailer shall

1 remit the amount of such tax to the Department when filing such  
2 return.

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

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

14 Beginning January 1, 1990, each month the Department shall  
15 pay into the State and Local Sales Tax Reform Fund, a special  
16 fund in the State Treasury which is hereby created, the net  
17 revenue realized for the preceding month from the 1% tax on  
18 sales of food for human consumption which is to be consumed off  
19 the premises where it is sold (other than alcoholic beverages,  
20 soft drinks and food which has been prepared for immediate  
21 consumption) and prescription and nonprescription medicines,  
22 drugs, medical appliances, products classified as Class III  
23 medical devices by the United States Food and Drug  
24 Administration that are used for cancer treatment pursuant to a  
25 prescription, as well as any accessories and components related  
26 to those devices, and insulin, urine testing materials,



1 syringes and needles used by diabetics.

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

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

17 Beginning August 1, 2000, each month the Department shall  
18 pay into the State and Local Sales Tax Reform Fund 100% of the  
19 net revenue realized for the preceding month from the 1.25%  
20 rate on the selling price of motor fuel and gasohol. Beginning  
21 September 1, 2010, each month the Department shall pay into the  
22 State and Local Sales Tax Reform Fund 100% of the net revenue  
23 realized for the preceding month from the 1.25% rate on the  
24 selling price of sales tax holiday items.

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

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

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

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

22 Beginning July 1, 2013, each month the Department shall pay  
23 into the Underground Storage Tank Fund from the proceeds  
24 collected under this Act, the Service Use Tax Act, the Service  
25 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
26 amount equal to the average monthly deficit in the Underground

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

11 Beginning July 1, 2015, of the remainder of the moneys  
12 received by the Department under this Act, the Service Use Tax  
13 Act, the Service Occupation Tax Act, and the Retailers'  
14 Occupation Tax Act, each month the Department shall deposit  
15 \$500,000 into the State Crime Laboratory Fund.

16 Beginning January 1, 2017, the Department shall pay into  
17 the At-Risk Youth Assistance Fund 100% of the net revenue  
18 realized for the preceding month from the 3.75% surcharge on  
19 the selling price of firearms and firearm component parts.

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

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

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

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

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

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

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

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

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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



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

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

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

24 Subject to payment of amounts into the Build Illinois Fund,  
25 the McCormick Place Expansion Project Fund, the Illinois Tax  
26 Increment Fund, and the Energy Infrastructure Fund pursuant to

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

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

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

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

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

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

15 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
16 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.  
17 8-26-14; 99-352, eff. 8-12-15; 99-858, eff. 8-19-16.)

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

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

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

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

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

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

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

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

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

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

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

1           The tax shall be imposed at the rate of 1% on food prepared  
2 for immediate consumption and transferred incident to a sale of  
3 service subject to this Act or the Service Occupation Tax Act  
4 by an entity licensed under the Hospital Licensing Act, the  
5 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD  
6 Act, the Specialized Mental Health Rehabilitation Act of 2013,  
7 or the Child Care Act of 1969. The tax shall also be imposed at  
8 the rate of 1% on food for human consumption that is to be  
9 consumed off the premises where it is sold (other than  
10 alcoholic beverages, soft drinks, and food that has been  
11 prepared for immediate consumption and is not otherwise  
12 included in this paragraph) and prescription and  
13 nonprescription medicines, drugs, medical appliances, products  
14 classified as Class III medical devices by the United States  
15 Food and Drug Administration that are used for cancer treatment  
16 pursuant to a prescription, as well as any accessories and  
17 components related to those devices, modifications to a motor  
18 vehicle for the purpose of rendering it usable by a person with  
19 a disability, and insulin, urine testing materials, syringes,  
20 and needles used by diabetics, for human use. For the purposes  
21 of this Section, until September 1, 2009: the term "soft  
22 drinks" means any complete, finished, ready-to-use,  
23 non-alcoholic drink, whether carbonated or not, including but  
24 not limited to soda water, cola, fruit juice, vegetable juice,  
25 carbonated water, and all other preparations commonly known as  
26 soft drinks of whatever kind or description that are contained

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

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

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

25 Notwithstanding any other provisions of this Act,  
26 beginning September 1, 2009, "food for human consumption that

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

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

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

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

25 Beginning on January 1, 2014 (the effective date of Public  
26 Act 98-122), "prescription and nonprescription medicines and



1 drugs" includes medical cannabis purchased from a registered  
2 dispensing organization under the Compassionate Use of Medical  
3 Cannabis Pilot Program Act.

4 Beginning January 1, 2017, in addition to all other rates  
5 of tax imposed under this Act, a surcharge of 3.75% is imposed  
6 on the selling price of (1) each firearm purchased in the State  
7 and (2) each firearm component part that is purchased in the  
8 State and sold separately from the firearm. "Firearm" has the  
9 meaning ascribed to that term in Section 1.1 of the Firearm  
10 Owners Identification Card Act.

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

18 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;  
19 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.  
20 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16.)

21 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

22 Sec. 9. Each serviceman required or authorized to collect  
23 the tax herein imposed shall pay to the Department the amount  
24 of such tax (except as otherwise provided) at the time when he  
25 is required to file his return for the period during which such

1 tax was collected, less a discount of 2.1% prior to January 1,  
2 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
3 year, whichever is greater, which is allowed to reimburse the  
4 serviceman for expenses incurred in collecting the tax, keeping  
5 records, preparing and filing returns, remitting the tax and  
6 supplying data to the Department on request. The Department may  
7 disallow the discount for servicemen whose certificate of  
8 registration is revoked at the time the return is filed, but  
9 only if the Department's decision to revoke the certificate of  
10 registration has become final. A serviceman need not remit that  
11 part of any tax collected by him to the extent that he is  
12 required to pay and does pay the tax imposed by the Service  
13 Occupation Tax Act with respect to his sale of service  
14 involving the incidental transfer by him of the same property.

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

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

1 of the first two months of each calendar quarter, on or before  
2 the twentieth day of the following calendar month, stating:

3 1. The name of the seller;

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

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

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

12 5. The amount of tax due;

13 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

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

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

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

1 returns.

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

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

26 Any serviceman filing a return hereunder shall also include

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

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

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

16 Beginning January 1, 1990, each month the Department shall  
17 pay into the State and Local Tax Reform Fund, a special fund in  
18 the State Treasury, the net revenue realized for the preceding  
19 month from the 1% tax on sales of food for human consumption  
20 which is to be consumed off the premises where it is sold  
21 (other than alcoholic beverages, soft drinks and food which has  
22 been prepared for immediate consumption) and prescription and  
23 nonprescription medicines, drugs, medical appliances, products  
24 classified as Class III medical devices, by the United States  
25 Food and Drug Administration that are used for cancer treatment  
26 pursuant to a prescription, as well as any accessories and

1 components related to those devices, and insulin, urine testing  
2 materials, syringes and needles used by diabetics.

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

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.

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

21 Beginning July 1, 2013, each month the Department shall pay  
22 into the Underground Storage Tank Fund from the proceeds  
23 collected under this Act, the 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 Use Tax Act, the Service Occupation Tax Act, and the  
4 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
5 any State fiscal year. As used in this paragraph, the "average  
6 monthly deficit" shall be equal to the difference between the  
7 average monthly claims for payment by the fund and the average  
8 monthly revenues deposited into the fund, excluding payments  
9 made pursuant to this paragraph.

10 Beginning July 1, 2015, of the remainder of the moneys  
11 received by the Department under the Use Tax Act, this Act, the  
12 Service Occupation Tax Act, and the Retailers' Occupation Tax  
13 Act, each month the Department shall deposit \$500,000 into the  
14 State Crime Laboratory Fund.

15 Beginning January 1, 2017, the Department shall pay into  
16 the At-Risk Youth Assistance Fund 100% of the net revenue  
17 realized for the preceding month from the 3.75% surcharge on  
18 the selling price of firearms and firearm component parts.

19 Of the remainder of the moneys received by the Department  
20 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
21 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
22 and after July 1, 1989, 3.8% thereof shall be paid into the  
23 Build Illinois Fund; provided, however, that if in any fiscal  
24 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
25 may be, of the moneys received by the Department and required  
26 to be paid into the Build Illinois Fund pursuant to Section 3

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

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

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

	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	246,000,000
23	2022	260,000,000
24	2023	275,000,000
25	2024	275,000,000
26	2025	275,000,000

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

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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

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

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

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

24 Subject to payment of amounts into the Build Illinois Fund,  
25 the McCormick Place Expansion Project Fund, the Illinois Tax  
26 Increment Fund, and the Energy Infrastructure Fund pursuant to

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

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

24 As soon as possible after the first day of each month, upon  
25 certification of the Department of Revenue, the Comptroller  
26 shall order transferred and the Treasurer shall transfer from



1 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
2 equal to 1.7% of 80% of the net revenue realized under this Act  
3 for the second preceding month. Beginning April 1, 2000, this  
4 transfer is no longer required and shall not be made.

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

9 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
10 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;  
11 98-1098, eff. 8-26-14; 99-352, eff. 8-12-15; 99-858, eff.  
12 8-19-16.)

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

15 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

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

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

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

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

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

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

25 At the election of any registered serviceman made for each  
26 fiscal year, sales of service in which the aggregate annual

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

9 The tax shall be imposed at the rate of 1% on food prepared  
10 for immediate consumption and transferred incident to a sale of  
11 service subject to this Act or the Service Occupation Tax Act  
12 by an entity licensed under the Hospital Licensing Act, the  
13 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD  
14 Act, the Specialized Mental Health Rehabilitation Act of 2013,  
15 or the Child Care Act of 1969. The tax shall also be imposed at  
16 the rate of 1% on food for human consumption that is to be  
17 consumed off the premises where it is sold (other than  
18 alcoholic beverages, soft drinks, and food that has been  
19 prepared for immediate consumption and is not otherwise  
20 included in this paragraph) and prescription and  
21 nonprescription medicines, drugs, medical appliances, products  
22 classified as Class III medical devices by the United States  
23 Food and Drug Administration that are used for cancer treatment  
24 pursuant to a prescription, as well as any accessories and  
25 components related to those devices, modifications to a motor  
26 vehicle for the purpose of rendering it usable by a person with

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

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

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

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

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

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

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
2 label includes:

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

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

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

12 Beginning January 1, 2017, in addition to all other rates  
13 of tax imposed under this Act, a surcharge of 3.75% is imposed  
14 on the selling price of (1) each firearm purchased in the State  
15 and (2) each firearm component part that is purchased in the  
16 State and sold separately from the firearm. "Firearm" has the  
17 meaning ascribed to that term in Section 1.1 of the Firearm  
18 Owners Identification Card Act.

19 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;  
20 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.  
21 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16.)

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

23 Sec. 9. Each serviceman required or authorized to collect  
24 the tax herein imposed shall pay to the Department the amount  
25 of such tax at the time when he is required to file his return

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

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

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



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

8           1. The name of the seller;

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

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

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

17           5. The amount of tax due;

18           5-5. The signature of the taxpayer; and

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

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

25           Prior to October 1, 2003, and on and after September 1,  
26 2004 a serviceman may accept a Manufacturer's Purchase Credit

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 If experience indicates such action to be practicable, the  
24 Department may prescribe and furnish a combination or joint  
25 return which will enable servicemen, who are required to file  
26 returns hereunder and also under the Retailers' Occupation Tax

1 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
2 the return information required by all said Acts on the one  
3 form.

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

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the Local Government Tax Fund the revenue realized for  
10 the preceding month from the 1% tax on sales of food for human  
11 consumption which is to be consumed off the premises where it  
12 is sold (other than alcoholic beverages, soft drinks and food  
13 which has been prepared for immediate consumption) and  
14 prescription and nonprescription medicines, drugs, medical  
15 appliances, products classified as Class III medical devices by  
16 the United States Food and Drug Administration that are used  
17 for cancer treatment pursuant to a prescription, as well as any  
18 accessories and components related to those devices, and  
19 insulin, urine testing materials, syringes and needles used by  
20 diabetics.

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

25 Beginning August 1, 2000, each month the Department shall  
26 pay into the County and Mass Transit District Fund 20% of the

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

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

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

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

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

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

7 Beginning July 1, 2015, of the remainder of the moneys  
8 received by the Department under the Use Tax Act, the Service  
9 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
10 each month the Department shall deposit \$500,000 into the State  
11 Crime Laboratory Fund.

12 Beginning January 1, 2017, the Department shall pay into  
13 the At-Risk Youth Assistance Fund 100% of the net revenue  
14 realized for the preceding month from the 3.75% surcharge on  
15 the selling price of firearms and firearm component parts.

16 Of the remainder of the moneys received by the Department  
17 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
18 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
19 and after July 1, 1989, 3.8% thereof shall be paid into the  
20 Build Illinois Fund; provided, however, that if in any fiscal  
21 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
22 may be, of the moneys received by the Department and required  
23 to be paid into the Build Illinois Fund pursuant to Section 3  
24 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
25 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
26 Service Occupation Tax Act, such Acts being hereinafter called



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

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

1 Build Illinois Fund are subject to the pledge, claim and charge  
 2 set forth in Section 12 of the Build 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
15		
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

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

26 Subject to payment of amounts into the Build Illinois Fund

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

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

21 Subject to payment of amounts into the Build Illinois Fund,  
22 the McCormick Place Expansion Project Fund, the Illinois Tax  
23 Increment Fund, and the Energy Infrastructure Fund pursuant to  
24 the preceding paragraphs or in any amendments to this Section  
25 hereafter enacted, beginning on the first day of the first  
26 calendar month to occur on or after the effective date of this

1 amendatory Act of the 98th General Assembly, each month, from  
2 the collections made under Section 9 of the Use Tax Act,  
3 Section 9 of the Service Use Tax Act, Section 9 of the Service  
4 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
5 Tax Act, the Department shall pay into the Tax Compliance and  
6 Administration Fund, to be used, subject to appropriation, to  
7 fund additional auditors and compliance personnel at the  
8 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
9 the cash receipts collected during the preceding fiscal year by  
10 the Audit Bureau of the Department under the Use Tax Act, the  
11 Service Use Tax Act, the Service Occupation Tax Act, the  
12 Retailers' Occupation Tax Act, and associated local occupation  
13 and use taxes administered by the Department.

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

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

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

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

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



1 penalty provided for in this Act.

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

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

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

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

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

1 overpayment of liability.

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

10 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
11 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;  
12 98-1098, eff. 8-26-14; 99-352, eff. 8-12-15; 99-858, eff.  
13 8-19-16.)

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

16 (35 ILCS 120/2-10)

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

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

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

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

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

1 tax imposed by this Act applies to 100% of the proceeds of  
2 sales of gasohol made during that time.

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

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

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

25 With respect to food for human consumption that is to be  
26 consumed off the premises where it is sold (other than

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

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

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

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

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

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

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

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

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

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

20 Beginning January 1, 2017, in addition to all other rates  
21 of tax imposed under this Act, a surcharge of 3.75% is imposed  
22 on the selling price of (1) each firearm purchased in the State  
23 and (2) each firearm component part that is purchased in the  
24 State and sold separately from the firearm. "Firearm" has the  
25 meaning ascribed to that term in Section 1.1 of the Firearm  
26 Owners Identification Card Act.

1 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15;  
2 99-858, eff. 8-19-16.)

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

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

9 1. The name of the seller;

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

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

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

25 5. Deductions allowed by law;



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

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

6           8. The amount of tax due;

7           9. The signature of the taxpayer; and

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

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

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

17          Prior to October 1, 2003, and on and after September 1,  
18 2004 a retailer may accept a Manufacturer's Purchase Credit  
19 certification from a purchaser in satisfaction of Use Tax as  
20 provided in Section 3-85 of the Use Tax Act if the purchaser  
21 provides the appropriate documentation as required by Section  
22 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
23 certification, accepted by a retailer prior to October 1, 2003  
24 and on and after September 1, 2004 as provided in Section 3-85  
25 of the Use Tax Act, may be used by that retailer to satisfy  
26 Retailers' Occupation Tax liability in the amount claimed in

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

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

- 19 1. The name of the seller;
- 20 2. The address of the principal place of business from  
21 which he engages in the business of selling tangible  
22 personal property at retail in this State;
- 23 3. The total amount of taxable receipts received by him  
24 during the preceding calendar month from sales of tangible  
25 personal property by him during such preceding calendar  
26 month, including receipts from charge and time sales, but

1 less all deductions allowed by law;

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

4 5. The amount of tax due; and

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

7 Beginning on October 1, 2003, any person who is not a  
8 licensed distributor, importing distributor, or manufacturer,  
9 as defined in the Liquor Control Act of 1934, but is engaged in  
10 the business of selling, at retail, alcoholic liquor shall file  
11 a statement with the Department of Revenue, in a format and at  
12 a time prescribed by the Department, showing the total amount  
13 paid for alcoholic liquor purchased during the preceding month  
14 and such other information as is reasonably required by the  
15 Department. The Department may adopt rules to require that this  
16 statement be filed in an electronic or telephonic format. Such  
17 rules may provide for exceptions from the filing requirements  
18 of this paragraph. For the purposes of this paragraph, the term  
19 "alcoholic liquor" shall have the meaning prescribed in the  
20 Liquor Control Act of 1934.

21 Beginning on October 1, 2003, every distributor, importing  
22 distributor, and manufacturer of alcoholic liquor as defined in  
23 the Liquor Control Act of 1934, shall file a statement with the  
24 Department of Revenue, no later than the 10th day of the month  
25 for the preceding month during which transactions occurred, by  
26 electronic means, showing the total amount of gross receipts

1 from the sale of alcoholic liquor sold or distributed during  
2 the preceding month to purchasers; identifying the purchaser to  
3 whom it was sold or distributed; the purchaser's tax  
4 registration number; and such other information reasonably  
5 required by the Department. A distributor, importing  
6 distributor, or manufacturer of alcoholic liquor must  
7 personally deliver, mail, or provide by electronic means to  
8 each retailer listed on the monthly statement a report  
9 containing a cumulative total of that distributor's, importing  
10 distributor's, or manufacturer's total sales of alcoholic  
11 liquor to that retailer no later than the 10th day of the month  
12 for the preceding month during which the transaction occurred.  
13 The distributor, importing distributor, or manufacturer shall  
14 notify the retailer as to the method by which the distributor,  
15 importing distributor, or manufacturer will provide the sales  
16 information. If the retailer is unable to receive the sales  
17 information by electronic means, the distributor, importing  
18 distributor, or manufacturer shall furnish the sales  
19 information by personal delivery or by mail. For purposes of  
20 this paragraph, the term "electronic means" includes, but is  
21 not limited to, the use of a secure Internet website, e-mail,  
22 or facsimile.

23 If a total amount of less than \$1 is payable, refundable or  
24 creditable, such amount shall be disregarded if it is less than  
25 50 cents and shall be increased to \$1 if it is 50 cents or more.

26 Beginning October 1, 1993, a taxpayer who has an average

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

25 Before August 1 of each year beginning in 1993, the  
26 Department shall notify all taxpayers required to make payments

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

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

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

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

14 Any amount which 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 in any case where the fractional part of a  
18 dollar is 50 cents or more, and decreased to the nearest  
19 whole-dollar amount where the fractional part of a dollar is  
20 less than 50 cents.

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

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

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

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

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

22 Where the same person has more than one business registered  
23 with the Department under separate registrations under this  
24 Act, such person 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           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 retailer selling this kind of  
4           tangible personal property shall file, with the Department,  
5           upon a form to be prescribed and supplied by the Department, a  
6           separate return for each such item of tangible personal  
7           property which the retailer sells, except that if, in the same  
8           transaction, (i) a retailer of aircraft, watercraft, motor  
9           vehicles or trailers transfers more than one aircraft,  
10          watercraft, motor vehicle or trailer to another aircraft,  
11          watercraft, motor vehicle retailer or trailer retailer for the  
12          purpose of resale or (ii) a retailer of aircraft, watercraft,  
13          motor vehicles, or trailers transfers more than one aircraft,  
14          watercraft, motor vehicle, or trailer to a purchaser for use as  
15          a qualifying rolling stock as provided in Section 2-5 of this  
16          Act, then that seller may report the transfer of all aircraft,  
17          watercraft, motor vehicles or trailers involved in that  
18          transaction to the Department on the same uniform  
19          invoice-transaction reporting return form. For purposes of  
20          this Section, "watercraft" means a Class 2, Class 3, or Class 4  
21          watercraft as defined in Section 3-2 of the Boat Registration  
22          and Safety Act, a personal watercraft, or any boat equipped  
23          with an inboard motor.

24          Any retailer who sells only motor vehicles, watercraft,  
25          aircraft, or trailers that are required to be registered with  
26          an agency of this State, so that all retailers' occupation tax



1 liability is required to be reported, and is reported, on such  
2 transaction reporting returns and who is not otherwise required  
3 to file monthly or quarterly returns, need not file monthly or  
4 quarterly returns. However, those retailers shall be required  
5 to file returns on an annual basis.

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

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

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

1 expedite the processing of applications for title or  
2 registration.

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

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

24 If the user who would otherwise pay tax to the retailer  
25 wants the transaction reporting return filed and the payment of  
26 the tax or proof of exemption made to the Department before the

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

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 return  
3 filed on behalf of the limited liability company shall be  
4 signed by a manager, member, or properly accredited agent of  
5 the limited liability company.

6 Except as provided in this Section, the retailer filing the  
7 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. Any prepayment made pursuant  
15 to Section 2d of this Act shall be included in the amount on  
16 which such 2.1% or 1.75% discount is computed. In the case of  
17 retailers who report and pay the tax on a transaction by  
18 transaction basis, as provided in this Section, such discount  
19 shall be taken with each such tax remittance instead of when  
20 such retailer files his periodic return. The Department may  
21 disallow the discount for retailers whose certificate of  
22 registration is revoked at the time the return is filed, but  
23 only if the Department's decision to revoke the certificate of  
24 registration has become final.

25 Before October 1, 2000, if the taxpayer's average monthly  
26 tax liability to the Department under this Act, the Use Tax

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

1 the month of lowest liability in such 4 quarter period). If the  
2 month during which such tax liability is incurred begins on or  
3 after January 1, 1985 and prior to January 1, 1987, each  
4 payment shall be in an amount equal to 22.5% of the taxpayer's  
5 actual liability for the month or 27.5% of the taxpayer's  
6 liability for the same calendar month of the preceding year. If  
7 the month during which such tax liability is incurred begins on  
8 or after January 1, 1987 and prior to January 1, 1988, each  
9 payment shall be in an amount equal to 22.5% of the taxpayer's  
10 actual liability for the month or 26.25% of the taxpayer's  
11 liability for the same calendar month of the preceding year. If  
12 the month during which such tax liability is incurred begins on  
13 or after January 1, 1988, and prior to January 1, 1989, or  
14 begins on or after January 1, 1996, each payment shall be in an  
15 amount equal to 22.5% of the taxpayer's actual liability for  
16 the month or 25% of the taxpayer's liability for the same  
17 calendar month of the preceding year. If the month during which  
18 such tax liability is incurred begins on or after January 1,  
19 1989, and prior to January 1, 1996, each payment shall be in an  
20 amount equal to 22.5% of the taxpayer's actual liability for  
21 the month or 25% of the taxpayer's liability for the same  
22 calendar month of the preceding year or 100% of the taxpayer's  
23 actual liability for the quarter monthly reporting period. The  
24 amount of such quarter monthly payments shall be credited  
25 against the final tax liability of the taxpayer's return for  
26 that month. Before October 1, 2000, once applicable, the

1 requirement of the making of quarter monthly payments to the  
2 Department by taxpayers having an average monthly tax liability  
3 of \$10,000 or more as determined in the manner provided above  
4 shall continue until such taxpayer's average monthly liability  
5 to 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 \$9,000, 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 \$10,000. 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 \$10,000  
15 threshold stated above, then such taxpayer may petition the  
16 Department for a change in such taxpayer's reporting status. On  
17 and after October 1, 2000, once applicable, the requirement of  
18 the making of quarter monthly payments to the Department by  
19 taxpayers having an average monthly tax liability of \$20,000 or  
20 more as determined in the manner provided above shall continue  
21 until such taxpayer's average monthly liability to the  
22 Department during the preceding 4 complete calendar quarters  
23 (excluding the month of highest liability and the month of  
24 lowest liability) is less than \$19,000 or until such taxpayer's  
25 average monthly liability to the Department as computed for  
26 each calendar quarter of the 4 preceding complete calendar



1 quarter period is less than \$20,000. However, if a taxpayer can  
2 show the Department that a substantial change in the taxpayer's  
3 business has occurred which causes the taxpayer to anticipate  
4 that his average monthly tax liability for the reasonably  
5 foreseeable future will fall below the \$20,000 threshold stated  
6 above, then such taxpayer may petition the Department for a  
7 change in such taxpayer's reporting status. The Department  
8 shall change such taxpayer's reporting status unless it finds  
9 that such change is seasonal in nature and not likely to be  
10 long term. If any such quarter monthly payment is not paid at  
11 the time or in the amount required by this Section, then the  
12 taxpayer shall be liable for penalties and interest on the  
13 difference between the minimum amount due as a payment and the  
14 amount of such quarter monthly payment actually and timely  
15 paid, except insofar as the taxpayer has previously made  
16 payments for that month to the Department in excess of the  
17 minimum payments previously due as provided in this Section.  
18 The Department shall make reasonable rules and regulations to  
19 govern the quarter monthly payment amount and quarter monthly  
20 payment dates for taxpayers who file on other than a calendar  
21 monthly 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 the  
7 effective date of this amendatory Act of 1985, each payment  
8 shall be in an amount not less than 22.5% of the taxpayer's  
9 actual liability under Section 2d. If the month during which  
10 such tax liability is incurred begins on or after January 1,  
11 1986, each payment shall be in an amount equal to 22.5% of the  
12 taxpayer's actual liability for the month or 27.5% of the  
13 taxpayer's liability for the same calendar month of the  
14 preceding calendar year. If the month during which such tax  
15 liability is incurred begins on or after January 1, 1987, each  
16 payment shall be in an amount equal to 22.5% of the taxpayer's  
17 actual liability for the month or 26.25% of the taxpayer's  
18 liability for the same calendar month of the preceding year.  
19 The amount of such quarter monthly payments shall be credited  
20 against the final tax liability of the taxpayer's return for  
21 that month filed under this Section or Section 2f, as the case  
22 may be. Once applicable, the requirement of the making of  
23 quarter monthly payments to the Department pursuant to this  
24 paragraph shall continue until such taxpayer's average monthly  
25 prepaid tax collections during the preceding 2 complete  
26 calendar quarters is \$25,000 or less. If any such quarter

1 monthly payment is not paid at the time or in the amount  
2 required, the taxpayer shall be liable for penalties and  
3 interest on such difference, except insofar as the taxpayer has  
4 previously made payments for that month in excess of the  
5 minimum payments previously due.

6 The provisions of this paragraph apply on and after October  
7 1, 2001. Without regard to whether a taxpayer is required to  
8 make quarter monthly payments as specified above, any taxpayer  
9 who is required by Section 2d of this Act to collect and remit  
10 prepaid taxes and has collected prepaid taxes that average in  
11 excess of \$20,000 per month during the preceding 4 complete  
12 calendar quarters shall file a return with the Department as  
13 required by Section 2f and shall make payments to the  
14 Department on or before the 7th, 15th, 22nd and last day of the  
15 month during which the liability is incurred. Each payment  
16 shall be in an amount equal to 22.5% of the taxpayer's actual  
17 liability for the month or 25% of the taxpayer's liability for  
18 the same calendar month of the preceding year. The amount of  
19 the quarter monthly payments shall be credited against the  
20 final tax liability of the taxpayer's return for that month  
21 filed under this Section or Section 2f, as the case may be.  
22 Once applicable, the requirement of the making of quarter  
23 monthly payments to the Department pursuant to this paragraph  
24 shall continue until the taxpayer's average monthly prepaid tax  
25 collections during the preceding 4 complete calendar quarters  
26 (excluding the month of highest liability and the month of

1 lowest liability) is less than \$19,000 or until such taxpayer's  
2 average monthly liability to the Department as computed for  
3 each calendar quarter of the 4 preceding complete calendar  
4 quarters is less than \$20,000. If any such quarter monthly  
5 payment is not paid at the time or in the amount required, the  
6 taxpayer shall be liable for penalties and interest on such  
7 difference, except insofar as the taxpayer has previously made  
8 payments for that month in excess of the minimum payments  
9 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 Act,  
19 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 2.1%  
2 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
3 of the difference between the credit taken and that actually  
4 due, and that taxpayer shall be liable for penalties and  
5 interest 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 which the  
9 taxpayer is filing a return, the Department shall issue the  
10 taxpayer a credit memorandum for the excess.

11 Beginning January 1, 1990, each month the Department shall  
12 pay into the Local Government Tax Fund, a special fund in the  
13 State treasury which is hereby created, the net revenue  
14 realized for the preceding month from the 1% tax on sales of  
15 food for human consumption which is to be consumed off the  
16 premises where it is sold (other than alcoholic beverages, soft  
17 drinks and food which has been prepared for immediate  
18 consumption) and prescription and nonprescription medicines,  
19 drugs, medical appliances, products classified as Class III  
20 medical devices by the United States Food and Drug  
21 Administration that are used for cancer treatment pursuant to a  
22 prescription, as well as any accessories and components related  
23 to those devices, and insulin, urine testing materials,  
24 syringes and needles used by diabetics.

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.

4 Beginning August 1, 2000, each month the Department shall  
5 pay into the County and Mass Transit District Fund 20% of the  
6 net revenue realized for the preceding month from the 1.25%  
7 rate on the selling price of motor fuel and gasohol. Beginning  
8 September 1, 2010, each month the Department shall pay into the  
9 County and Mass Transit District Fund 20% of the net revenue  
10 realized for the preceding month from the 1.25% rate on the  
11 selling price of sales tax holiday items.

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

16 Beginning August 1, 2000, each month the Department shall  
17 pay into the Local Government Tax Fund 80% of the net revenue  
18 realized for the preceding month from the 1.25% rate on the  
19 selling price of motor fuel and gasohol. Beginning September 1,  
20 2010, each month the Department shall pay into the Local  
21 Government Tax Fund 80% of the net revenue realized for the  
22 preceding month from the 1.25% rate on the selling price of  
23 sales tax holiday items.

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

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

5 Beginning July 1, 2011, each month the Department shall pay  
6 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
7 realized for the preceding month from the 6.25% general rate on  
8 the selling price of sorbents used in Illinois in the process  
9 of sorbent injection as used to comply with the Environmental  
10 Protection Act or the federal Clean Air Act, but the total  
11 payment into the Clean Air Act (CAA) Permit Fund under this Act  
12 and the Use Tax Act shall not exceed \$2,000,000 in any fiscal  
13 year.

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

1 into the fund, excluding payments made pursuant to this  
2 paragraph.

3 Beginning July 1, 2015, of the remainder of the moneys  
4 received by the Department under the Use Tax Act, the Service  
5 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
6 month the Department shall deposit \$500,000 into the State  
7 Crime Laboratory Fund.

8 Beginning January 1, 2017, the Department shall pay into  
9 the At-Risk Youth Assistance Fund 100% of the net revenue  
10 realized for the preceding month from the 3.75% surcharge on  
11 the selling price of firearms and firearm component parts.

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



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

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

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

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

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

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

24	Fiscal Year	Total
		Deposit
25	1993	\$0

1	1994	53,000,000
2	1995	58,000,000
3	1996	61,000,000
4	1997	64,000,000
5	1998	68,000,000
6	1999	71,000,000
7	2000	75,000,000
8	2001	80,000,000
9	2002	93,000,000
10	2003	99,000,000
11	2004	103,000,000
12	2005	108,000,000
13	2006	113,000,000
14	2007	119,000,000
15	2008	126,000,000
16	2009	132,000,000
17	2010	139,000,000
18	2011	146,000,000
19	2012	153,000,000
20	2013	161,000,000
21	2014	170,000,000
22	2015	179,000,000
23	2016	189,000,000
24	2017	199,000,000
25	2018	210,000,000
26	2019	221,000,000

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

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

22                   Beginning July 20, 1993 and in each month of each fiscal  
23                   year thereafter, one-eighth of the amount requested in the  
24                   certificate of the Chairman of the Metropolitan Pier and  
25                   Exposition Authority for that fiscal year, less the amount  
26                   deposited into the McCormick Place Expansion Project Fund by

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

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

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

1 generating facility certified pursuant to Section 605-332 of  
2 the Department of Commerce and Economic Opportunity Law of the  
3 Civil Administrative Code of Illinois.

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

23 Of the remainder of the moneys received by the Department  
24 pursuant to this Act, 75% thereof shall be paid into the State  
25 Treasury and 25% shall be reserved in a special account and  
26 used only for the transfer to the Common School Fund as part of

1 the monthly transfer from the General Revenue Fund in  
2 accordance with Section 8a of the State Finance Act.

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

26 If the annual information return required by this Section



1 is not filed when and as required, the taxpayer shall be liable  
2 as follows:

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

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

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

21 The provisions of this Section concerning the filing of an  
22 annual information return do not apply to a retailer who is not  
23 required to file an income tax return with the United States  
24 Government.

25 As soon as possible after the first day of each month, upon  
26 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from  
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
3 equal to 1.7% of 80% of the net revenue realized under this Act  
4 for the second preceding month. Beginning April 1, 2000, this  
5 transfer is no longer required and shall not be made.

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

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

17 Any person who promotes, organizes, provides retail  
18 selling space for concessionaires or other types of sellers at  
19 the Illinois State Fair, DuQuoin State Fair, county fairs,  
20 local fairs, art shows, flea markets and similar exhibitions or  
21 events, including any transient merchant as defined by Section  
22 2 of the Transient Merchant Act of 1987, is required to file a  
23 report with the Department providing the name of the merchant's  
24 business, the name of the person or persons engaged in  
25 merchant's business, the permanent address and Illinois  
26 Retailers Occupation Tax Registration Number of the merchant,

1 the dates and location of the event and other reasonable  
2 information that the Department may require. The report must be  
3 filed not later than the 20th day of the month next following  
4 the month during which the event with retail sales was held.  
5 Any person who fails to file a report required by this Section  
6 commits a business offense and is subject to a fine not to  
7 exceed \$250.

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

1 their returns as otherwise required in this Section.

2 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
3 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.  
4 8-26-14; 99-352, eff. 8-12-15; 99-858, eff. 8-19-16.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.