



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB5448

by Rep. Robert W. Pritchard

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/8a new

Amends the Use Tax Act. Provides that retailers that have more than \$100,000 in gross sales to Illinois purchasers in the previous year and do not collect the tax under the Act must do the following: (1) provide a notice to each Illinois purchaser that the tax under the Act is due on purchases that are not tax exempt and that the State requires the Illinois purchaser to file a return under the Act; (2) provide a notice to each Illinois purchaser who purchases more than \$500 worth of goods in a year containing specific information about purchases that may result in Illinois use tax liability; and (3) file an annual report with the Department of Revenue showing the total amount paid for purchases by those Illinois purchasers during the preceding calendar year. Requires retailers to include transactional notices at checkout. Sets forth penalties for failure to submit those notices and reports. Provides that the term "Illinois purchaser" means a purchaser (i) with a billing address in this State or (ii) who makes a purchase for delivery to an address in this State. Effective immediately.

LRB100 18888 HLH 34132 b

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by adding Section 8a  
5 as follows:

6 (35 ILCS 105/8a new)

7 Sec. 8a. Retailer notifications.

8 (a) Each retailer that sells to Illinois purchasers but  
9 does not collect and remit use tax under this Act shall notify  
10 each Illinois purchaser at the time of sale that the tax under  
11 this Act is due on all purchases that are not exempt and that  
12 the State requires the Illinois purchaser to file a return  
13 under this Act. Failure to provide the notice required in this  
14 subsection shall subject the retailer to a penalty of \$5 for  
15 each such failure unless the retailer shows reasonable cause  
16 for the failure.

17 (a-1) For all purchases made online, a transactional notice  
18 shall be prominently located in close proximity to the "Tax" or  
19 "Sales Tax" line at checkout, or if no "Tax" line is available,  
20 in close proximity to the "Total Price" line shown at checkout.  
21 If it is impracticable for the retailer subject to the  
22 provisions of this Section to display the transactional notice  
23 as described above, the retailer shall prominently display a

1 hyperlink. The hyperlink shall read "See here for information  
2 about the State tax you may owe" or use similar language. The  
3 hyperlink shall direct the Illinois purchaser to the  
4 transactional notice. The hyperlink shall appear in close  
5 proximity to the "Tax" or "Total Price" line shown at checkout,  
6 on the invoice or order confirmation, or on the webpage for the  
7 product purchased.

8 (b) Each retailer that has more than \$100,000 in gross  
9 sales to Illinois purchasers in the previous year and does not  
10 collect the tax under this Act shall, by January 31 of each  
11 year, send notification to all Illinois purchasers who purchase  
12 more than \$500 worth of goods in a year showing the following:

13 (1) the total amount paid by the purchaser for  
14 purchases made from the retailer in the previous calendar  
15 year;

16 (2) the dates of each purchase;

17 (3) the amounts of each purchase;

18 (4) whether or not the purchase is exempt from taxation  
19 under this Act; and

20 (5) such information as the Department shall require by  
21 rule.

22 The notification shall state that the State of Illinois  
23 requires a use tax return to be filed and use tax to be paid on  
24 certain purchases made by the purchaser from the retailer.

25 The notification specified in this subsection shall be sent  
26 separately to all Illinois purchasers by first-class mail and

1 shall not be included with any other shipments, unless the  
2 retailer subject to the provisions of this Section, as  
3 determined by a rule adopted by the Department, is allowed to  
4 deliver the notification by electronic means. The notification  
5 shall include the words "Important Tax Document Enclosed" on  
6 the exterior of the mailing, unless the retailer subject to the  
7 provisions of this Section, as determined by a rule adopted by  
8 the Department, is allowed to deliver the notification by  
9 electronic means. The notification shall include the name of  
10 the retailer.

11 Failure to send the notification required in this  
12 subsection shall subject the retailer to a penalty of \$10 for  
13 each such failure unless the retailer shows reasonable cause  
14 for the failure.

15 (c) Each retailer mentioned in subsection (b) that does not  
16 collect the tax under this Act shall file with the Department,  
17 in the form and manner required by the Department, an annual  
18 statement for all Illinois purchasers who purchase more than  
19 \$500 worth of goods in year showing the total amount paid for  
20 purchases by Illinois purchasers during the preceding calendar  
21 year or any portion thereof. That annual statement shall be  
22 filed on or before March 1 of each year. Failure to file the  
23 annual statement required under this subsection shall subject  
24 the retailer to a penalty of \$10 for each purchaser that should  
25 have been included in the annual statement unless the retailer  
26 shows reasonable cause for the failure.

1       (d) As used in this Section:

2       "Illinois purchaser" means a purchaser with a billing  
3 address in this State.

4       "Transactional notice" means the notice required to be  
5 provided by a retailer subject to the provisions of this  
6 Section to an Illinois purchaser at the time of purchase  
7 notifying the Illinois purchaser of the information required  
8 pursuant to this Section.

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