

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 changing Section 2  
5 as follows:

6 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

7 Sec. 2. Definitions.

8 "Use" means the exercise by any person of any right or  
9 power over tangible personal property incident to the  
10 ownership of that property, except that it does not include  
11 the sale of such property in any form as tangible personal  
12 property in the regular course of business to the extent that  
13 such property is not first subjected to a use for which it was  
14 purchased, and does not include the use of such property by its  
15 owner for demonstration purposes: Provided that the property  
16 purchased is deemed to be purchased for the purpose of resale,  
17 despite first being used, to the extent to which it is resold  
18 as an ingredient of an intentionally produced product or  
19 by-product of manufacturing. "Use" does not mean the  
20 demonstration use or interim use of tangible personal property  
21 by a retailer before he sells that tangible personal property.  
22 For watercraft or aircraft, if the period of demonstration use  
23 or interim use by the retailer exceeds 18 months, the retailer

1 shall pay on the retailers' original cost price the tax  
2 imposed by this Act, and no credit for that tax is permitted if  
3 the watercraft or aircraft is subsequently sold by the  
4 retailer. "Use" does not mean the physical incorporation of  
5 tangible personal property, to the extent not first subjected  
6 to a use for which it was purchased, as an ingredient or  
7 constituent, into other tangible personal property (a) which  
8 is sold in the regular course of business or (b) which the  
9 person incorporating such ingredient or constituent therein  
10 has undertaken at the time of such purchase to cause to be  
11 transported in interstate commerce to destinations outside the  
12 State of Illinois: Provided that the property purchased is  
13 deemed to be purchased for the purpose of resale, despite  
14 first being used, to the extent to which it is resold as an  
15 ingredient of an intentionally produced product or by-product  
16 of manufacturing.

17 "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 "Purchase at retail" means the acquisition of the  
22 ownership of or title to tangible personal property through a  
23 sale at retail.

24 "Purchaser" means anyone who, through a sale at retail,  
25 acquires the ownership of tangible personal property for a  
26 valuable consideration.

1 "Sale at retail" means any transfer of the ownership of or  
2 title to tangible personal property to a purchaser, for the  
3 purpose of use, and not for the purpose of resale in any form  
4 as tangible personal property to the extent not first  
5 subjected to a use for which it was purchased, for a valuable  
6 consideration: Provided that the property purchased is deemed  
7 to be purchased for the purpose of resale, despite first being  
8 used, to the extent to which it is resold as an ingredient of  
9 an intentionally produced product or by-product of  
10 manufacturing. For this purpose, slag produced as an incident  
11 to manufacturing pig iron or steel and sold is considered to be  
12 an intentionally produced by-product of manufacturing. "Sale  
13 at retail" includes any such transfer made for resale unless  
14 made in compliance with Section 2c of the Retailers'  
15 Occupation Tax Act, as incorporated by reference into Section  
16 12 of this Act. Transactions whereby the possession of the  
17 property is transferred but the seller retains the title as  
18 security for payment of the selling price are sales.

19 "Sale at retail" shall also be construed to include any  
20 Illinois florist's sales transaction in which the purchase  
21 order is received in Illinois by a florist and the sale is for  
22 use or consumption, but the Illinois florist has a florist in  
23 another state deliver the property to the purchaser or the  
24 purchaser's donee in such other state.

25 Nonreusable tangible personal property that is used by  
26 persons engaged in the business of operating a restaurant,

1 cafeteria, or drive-in is a sale for resale when it is  
2 transferred to customers in the ordinary course of business as  
3 part of the sale of food or beverages and is used to deliver,  
4 package, or consume food or beverages, regardless of where  
5 consumption of the food or beverages occurs. Examples of those  
6 items include, but are not limited to nonreusable, paper and  
7 plastic cups, plates, baskets, boxes, sleeves, buckets or  
8 other containers, utensils, straws, placemats, napkins, doggie  
9 bags, and wrapping or packaging materials that are transferred  
10 to customers as part of the sale of food or beverages in the  
11 ordinary course of business.

12 The purchase, employment and transfer of such tangible  
13 personal property as newsprint and ink for the primary purpose  
14 of conveying news (with or without other information) is not a  
15 purchase, use or sale of tangible personal property.

16 "Selling price" means the consideration for a sale valued  
17 in money whether received in money or otherwise, including  
18 cash, credits, property other than as hereinafter provided,  
19 and services, but, prior to January 1, 2020 and beginning  
20 again on January 1, 2022, not including the value of or credit  
21 given for traded-in tangible personal property where the item  
22 that is traded-in is of like kind and character as that which  
23 is being sold; beginning January 1, 2020 and until January 1,  
24 2022, "selling price" includes the portion of the value of or  
25 credit given for traded-in motor vehicles of the First  
26 Division as defined in Section 1-146 of the Illinois Vehicle

1 Code of like kind and character as that which is being sold  
2 that exceeds \$10,000. "Selling price" shall be determined  
3 without any deduction on account of the cost of the property  
4 sold, the cost of materials used, labor or service cost or any  
5 other expense whatsoever, but does not include interest or  
6 finance charges which appear as separate items on the bill of  
7 sale or sales contract nor charges that are added to prices by  
8 sellers on account of the seller's tax liability under the  
9 Retailers' Occupation Tax Act, or on account of the seller's  
10 duty to collect, from the purchaser, the tax that is imposed by  
11 this Act, or, except as otherwise provided with respect to any  
12 cigarette tax imposed by a home rule unit, on account of the  
13 seller's tax liability under any local occupation tax  
14 administered by the Department, or, except as otherwise  
15 provided with respect to any cigarette tax imposed by a home  
16 rule unit on account of the seller's duty to collect, from the  
17 purchasers, the tax that is imposed under any local use tax  
18 administered by the Department. Effective December 1, 1985,  
19 "selling price" shall include charges that are added to prices  
20 by sellers on account of the seller's tax liability under the  
21 Cigarette Tax Act, on account of the seller's duty to collect,  
22 from the purchaser, the tax imposed under the Cigarette Use  
23 Tax Act, and on account of the seller's duty to collect, from  
24 the purchaser, any cigarette tax imposed by a home rule unit.

25 Notwithstanding any law to the contrary, for any motor  
26 vehicle, as defined in Section 1-146 of the Vehicle Code, that

1 is sold on or after January 1, 2015 for the purpose of leasing  
2 the vehicle for a defined period that is longer than one year  
3 and (1) is a motor vehicle of the second division that: (A) is  
4 a self-contained motor vehicle designed or permanently  
5 converted to provide living quarters for recreational,  
6 camping, or travel use, with direct walk through access to the  
7 living quarters from the driver's seat; (B) is of the van  
8 configuration designed for the transportation of not less than  
9 7 nor more than 16 passengers; or (C) has a gross vehicle  
10 weight rating of 8,000 pounds or less or (2) is a motor vehicle  
11 of the first division, "selling price" or "amount of sale"  
12 means the consideration received by the lessor pursuant to the  
13 lease contract, including amounts due at lease signing and all  
14 monthly or other regular payments charged over the term of the  
15 lease. Also included in the selling price is any amount  
16 received by the lessor from the lessee for the leased vehicle  
17 that is not calculated at the time the lease is executed,  
18 including, but not limited to, excess mileage charges and  
19 charges for excess wear and tear. For sales that occur in  
20 Illinois, with respect to any amount received by the lessor  
21 from the lessee for the leased vehicle that is not calculated  
22 at the time the lease is executed, the lessor who purchased the  
23 motor vehicle does not incur the tax imposed by the Use Tax Act  
24 on those amounts, and the retailer who makes the retail sale of  
25 the motor vehicle to the lessor is not required to collect the  
26 tax imposed by this Act or to pay the tax imposed by the

1 Retailers' Occupation Tax Act on those amounts. However, the  
2 lessor who purchased the motor vehicle assumes the liability  
3 for reporting and paying the tax on those amounts directly to  
4 the Department in the same form (Illinois Retailers'  
5 Occupation Tax, and local retailers' occupation taxes, if  
6 applicable) in which the retailer would have reported and paid  
7 such tax if the retailer had accounted for the tax to the  
8 Department. For amounts received by the lessor from the lessee  
9 that are not calculated at the time the lease is executed, the  
10 lessor must file the return and pay the tax to the Department  
11 by the due date otherwise required by this Act for returns  
12 other than transaction returns. If the retailer is entitled  
13 under this Act to a discount for collecting and remitting the  
14 tax imposed under this Act to the Department with respect to  
15 the sale of the motor vehicle to the lessor, then the right to  
16 the discount provided in this Act shall be transferred to the  
17 lessor with respect to the tax paid by the lessor for any  
18 amount received by the lessor from the lessee for the leased  
19 vehicle that is not calculated at the time the lease is  
20 executed; provided that the discount is only allowed if the  
21 return is timely filed and for amounts timely paid. The  
22 "selling price" of a motor vehicle that is sold on or after  
23 January 1, 2015 for the purpose of leasing for a defined period  
24 of longer than one year shall not be reduced by the value of or  
25 credit given for traded-in tangible personal property owned by  
26 the lessor, nor shall it be reduced by the value of or credit

1 given for traded-in tangible personal property owned by the  
2 lessee, regardless of whether the trade-in value thereof is  
3 assigned by the lessee to the lessor. In the case of a motor  
4 vehicle that is sold for the purpose of leasing for a defined  
5 period of longer than one year, the sale occurs at the time of  
6 the delivery of the vehicle, regardless of the due date of any  
7 lease payments. A lessor who incurs a Retailers' Occupation  
8 Tax liability on the sale of a motor vehicle coming off lease  
9 may not take a credit against that liability for the Use Tax  
10 the lessor paid upon the purchase of the motor vehicle (or for  
11 any tax the lessor paid with respect to any amount received by  
12 the lessor from the lessee for the leased vehicle that was not  
13 calculated at the time the lease was executed) if the selling  
14 price of the motor vehicle at the time of purchase was  
15 calculated using the definition of "selling price" as defined  
16 in this paragraph. Notwithstanding any other provision of this  
17 Act to the contrary, lessors shall file all returns and make  
18 all payments required under this paragraph to the Department  
19 by electronic means in the manner and form as required by the  
20 Department. This paragraph does not apply to leases of motor  
21 vehicles for which, at the time the lease is entered into, the  
22 term of the lease is not a defined period, including leases  
23 with a defined initial period with the option to continue the  
24 lease on a month-to-month or other basis beyond the initial  
25 defined period.

26 The phrase "like kind and character" shall be liberally



1 construed (including but not limited to any form of motor  
2 vehicle for any form of motor vehicle, or any kind of farm or  
3 agricultural implement for any other kind of farm or  
4 agricultural implement), while not including a kind of item  
5 which, if sold at retail by that retailer, would be exempt from  
6 retailers' occupation tax and use tax as an isolated or  
7 occasional sale.

8 "Department" means the Department of Revenue.

9 "Person" means any natural individual, firm, partnership,  
10 association, joint stock company, joint adventure, public or  
11 private corporation, limited liability company, or a receiver,  
12 executor, trustee, guardian or other representative appointed  
13 by order of any court.

14 "Retailer" means and includes every person engaged in the  
15 business of making sales at retail as defined in this Section.

16 A person who holds himself or herself out as being engaged  
17 (or who habitually engages) in selling tangible personal  
18 property at retail is a retailer hereunder with respect to  
19 such sales (and not primarily in a service occupation)  
20 notwithstanding the fact that such person designs and produces  
21 such tangible personal property on special order for the  
22 purchaser and in such a way as to render the property of value  
23 only to such purchaser, if such tangible personal property so  
24 produced on special order serves substantially the same  
25 function as stock or standard items of tangible personal  
26 property that are sold at retail.

1           A person whose activities are organized and conducted  
2 primarily as a not-for-profit service enterprise, and who  
3 engages in selling tangible personal property at retail  
4 (whether to the public or merely to members and their guests)  
5 is a retailer with respect to such transactions, excepting  
6 only a person organized and operated exclusively for  
7 charitable, religious or educational purposes either (1), to  
8 the extent of sales by such person to its members, students,  
9 patients or inmates of tangible personal property to be used  
10 primarily for the purposes of such person, or (2), to the  
11 extent of sales by such person of tangible personal property  
12 which is not sold or offered for sale by persons organized for  
13 profit. The selling of school books and school supplies by  
14 schools at retail to students is not "primarily for the  
15 purposes of" the school which does such selling. This  
16 paragraph does not apply to nor subject to taxation occasional  
17 dinners, social or similar activities of a person organized  
18 and operated exclusively for charitable, religious or  
19 educational purposes, whether or not such activities are open  
20 to the public.

21           A person who is the recipient of a grant or contract under  
22 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
23 serves meals to participants in the federal Nutrition Program  
24 for the Elderly in return for contributions established in  
25 amount by the individual participant pursuant to a schedule of  
26 suggested fees as provided for in the federal Act is not a

1 retailer under this Act with respect to such transactions.

2 Persons who engage in the business of transferring  
3 tangible personal property upon the redemption of trading  
4 stamps are retailers hereunder when engaged in such business.

5 The isolated or occasional sale of tangible personal  
6 property at retail by a person who does not hold himself out as  
7 being engaged (or who does not habitually engage) in selling  
8 such tangible personal property at retail or a sale through a  
9 bulk vending machine does not make such person a retailer  
10 hereunder. However, any person who is engaged in a business  
11 which is not subject to the tax imposed by the Retailers'  
12 Occupation Tax Act because of involving the sale of or a  
13 contract to sell real estate or a construction contract to  
14 improve real estate, but who, in the course of conducting such  
15 business, transfers tangible personal property to users or  
16 consumers in the finished form in which it was purchased, and  
17 which does not become real estate, under any provision of a  
18 construction contract or real estate sale or real estate sales  
19 agreement entered into with some other person arising out of  
20 or because of such nontaxable business, is a retailer to the  
21 extent of the value of the tangible personal property so  
22 transferred. If, in such transaction, a separate charge is  
23 made for the tangible personal property so transferred, the  
24 value of such property, for the purposes of this Act, is the  
25 amount so separately charged, but not less than the cost of  
26 such property to the transferor; if no separate charge is

1 made, the value of such property, for the purposes of this Act,  
2 is the cost to the transferor of such tangible personal  
3 property.

4 "Retailer maintaining a place of business in this State",  
5 or any like term, means and includes any of the following  
6 retailers:

7 (1) A retailer having or maintaining within this  
8 State, directly or by a subsidiary, an office,  
9 distribution house, sales house, warehouse or other place  
10 of business, or any agent or other representative  
11 operating within this State under the authority of the  
12 retailer or its subsidiary, irrespective of whether such  
13 place of business or agent or other representative is  
14 located here permanently or temporarily, or whether such  
15 retailer or subsidiary is licensed to do business in this  
16 State. However, the ownership of property that is located  
17 at the premises of a printer with which the retailer has  
18 contracted for printing and that consists of the final  
19 printed product, property that becomes a part of the final  
20 printed product, or copy from which the printed product is  
21 produced shall not result in the retailer being deemed to  
22 have or maintain an office, distribution house, sales  
23 house, warehouse, or other place of business within this  
24 State.

25 (1.1) A retailer having a contract with a person  
26 located in this State under which the person, for a

1 commission or other consideration based upon the sale of  
2 tangible personal property by the retailer, directly or  
3 indirectly refers potential customers to the retailer by  
4 providing to the potential customers a promotional code or  
5 other mechanism that allows the retailer to track  
6 purchases referred by such persons. Examples of mechanisms  
7 that allow the retailer to track purchases referred by  
8 such persons include but are not limited to the use of a  
9 link on the person's Internet website, promotional codes  
10 distributed through the person's hand-delivered or mailed  
11 material, and promotional codes distributed by the person  
12 through radio or other broadcast media. The provisions of  
13 this paragraph (1.1) shall apply only if the cumulative  
14 gross receipts from sales of tangible personal property by  
15 the retailer to customers who are referred to the retailer  
16 by all persons in this State under such contracts exceed  
17 \$10,000 during the preceding 4 quarterly periods ending on  
18 the last day of March, June, September, and December. A  
19 retailer meeting the requirements of this paragraph (1.1)  
20 shall be presumed to be maintaining a place of business in  
21 this State but may rebut this presumption by submitting  
22 proof that the referrals or other activities pursued  
23 within this State by such persons were not sufficient to  
24 meet the nexus standards of the United States Constitution  
25 during the preceding 4 quarterly periods.

26 (1.2) Beginning July 1, 2011, a retailer having a

1 contract with a person located in this State under which:

2 (A) the retailer sells the same or substantially  
3 similar line of products as the person located in this  
4 State and does so using an identical or substantially  
5 similar name, trade name, or trademark as the person  
6 located in this State; and

7 (B) the retailer provides a commission or other  
8 consideration to the person located in this State  
9 based upon the sale of tangible personal property by  
10 the retailer.

11 The provisions of this paragraph (1.2) shall apply  
12 only if the cumulative gross receipts from sales of  
13 tangible personal property by the retailer to customers in  
14 this State under all such contracts exceed \$10,000 during  
15 the preceding 4 quarterly periods ending on the last day  
16 of March, June, September, and December.

17 (2) (Blank).

18 (3) (Blank).

19 (4) (Blank).

20 (5) (Blank).

21 (6) (Blank).

22 (7) (Blank).

23 (8) (Blank).

24 (9) Beginning October 1, 2018, a retailer making sales  
25 of tangible personal property to purchasers in Illinois  
26 from outside of Illinois if:

1           (A) the cumulative gross receipts from sales of  
2           tangible personal property to purchasers in Illinois  
3           are \$100,000 or more; or

4           (B) the retailer enters into 200 or more separate  
5           transactions for the sale of tangible personal  
6           property to purchasers in Illinois.

7           The retailer shall determine on a quarterly basis,  
8           ending on the last day of March, June, September, and  
9           December, whether he or she meets the criteria of either  
10          subparagraph (A) or (B) of this paragraph (9) for the  
11          preceding 12-month period. If the retailer meets the  
12          threshold of either subparagraph (A) or (B) for a 12-month  
13          period, he or she is considered a retailer maintaining a  
14          place of business in this State and is required to collect  
15          and remit the tax imposed under this Act and file returns  
16          for one year. At the end of that one-year period, the  
17          retailer shall determine whether he or she met the  
18          threshold of either subparagraph (A) or (B) during the  
19          preceding 12-month period. If the retailer met the  
20          criteria in either subparagraph (A) or (B) for the  
21          preceding 12-month period, he or she is considered a  
22          retailer maintaining a place of business in this State and  
23          is required to collect and remit the tax imposed under  
24          this Act and file returns for the subsequent year. If at  
25          the end of a one-year period a retailer that was required  
26          to collect and remit the tax imposed under this Act

1 determines that he or she did not meet the threshold in  
2 either subparagraph (A) or (B) during the preceding  
3 12-month period, the retailer shall subsequently determine  
4 on a quarterly basis, ending on the last day of March,  
5 June, September, and December, whether he or she meets the  
6 threshold of either subparagraph (A) or (B) for the  
7 preceding 12-month period.

8 Beginning January 1, 2020, neither the gross receipts  
9 from nor the number of separate transactions for sales of  
10 tangible personal property to purchasers in Illinois that  
11 a retailer makes through a marketplace facilitator and for  
12 which the retailer has received a certification from the  
13 marketplace facilitator pursuant to Section 2d of this Act  
14 shall be included for purposes of determining whether he  
15 or she has met the thresholds of this paragraph (9).

16 (10) Beginning January 1, 2020, a marketplace  
17 facilitator that meets a threshold set forth in subsection  
18 (b) of Section 2d of this Act.

19 "Bulk vending machine" means a vending machine, containing  
20 unsorted confections, nuts, toys, or other items designed  
21 primarily to be used or played with by children which, when a  
22 coin or coins of a denomination not larger than \$0.50 are  
23 inserted, are dispensed in equal portions, at random and  
24 without selection by the customer.

25 (Source: P.A. 100-587, eff. 6-4-18; 101-9, eff. 6-5-19;  
26 101-31, eff. 1-1-20; 101-604, eff. 1-1-20.)



1           Section 10. The Retailers' Occupation Tax Act is amended  
2 by changing Section 1 as follows:

3           (35 ILCS 120/1) (from Ch. 120, par. 440)

4           Sec. 1. Definitions. "Sale at retail" means any transfer  
5 of the ownership of or title to tangible personal property to a  
6 purchaser, for the purpose of use or consumption, and not for  
7 the purpose of resale in any form as tangible personal  
8 property to the extent not first subjected to a use for which  
9 it was purchased, for a valuable consideration: Provided that  
10 the property purchased is deemed to be purchased for the  
11 purpose of resale, despite first being used, to the extent to  
12 which it is resold as an ingredient of an intentionally  
13 produced product or byproduct of manufacturing. For this  
14 purpose, slag produced as an incident to manufacturing pig  
15 iron or steel and sold is considered to be an intentionally  
16 produced byproduct of manufacturing. Transactions whereby the  
17 possession of the property is transferred but the seller  
18 retains the title as security for payment of the selling price  
19 shall be deemed to be sales.

20           "Sale at retail" shall be construed to include any  
21 transfer of the ownership of or title to tangible personal  
22 property to a purchaser, for use or consumption by any other  
23 person to whom such purchaser may transfer the tangible  
24 personal property without a valuable consideration, and to

1 include any transfer, whether made for or without a valuable  
2 consideration, for resale in any form as tangible personal  
3 property unless made in compliance with Section 2c of this  
4 Act.

5 Sales of tangible personal property, which property, to  
6 the extent not first subjected to a use for which it was  
7 purchased, as an ingredient or constituent, goes into and  
8 forms a part of tangible personal property subsequently the  
9 subject of a "Sale at retail", are not sales at retail as  
10 defined in this Act: Provided that the property purchased is  
11 deemed to be purchased for the purpose of resale, despite  
12 first being used, to the extent to which it is resold as an  
13 ingredient of an intentionally produced product or byproduct  
14 of manufacturing.

15 "Sale at retail" shall be construed to include any  
16 Illinois florist's sales transaction in which the purchase  
17 order is received in Illinois by a florist and the sale is for  
18 use or consumption, but the Illinois florist has a florist in  
19 another state deliver the property to the purchaser or the  
20 purchaser's donee in such other state.

21 Nonreusable tangible personal property that is used by  
22 persons engaged in the business of operating a restaurant,  
23 cafeteria, or drive-in is a sale for resale when it is  
24 transferred to customers in the ordinary course of business as  
25 part of the sale of food or beverages and is used to deliver,  
26 package, or consume food or beverages, regardless of where

1 consumption of the food or beverages occurs. Examples of those  
2 items include, but are not limited to nonreusable, paper and  
3 plastic cups, plates, baskets, boxes, sleeves, buckets or  
4 other containers, utensils, straws, placemats, napkins, doggie  
5 bags, and wrapping or packaging materials that are transferred  
6 to customers as part of the sale of food or beverages in the  
7 ordinary course of business.

8 The purchase, employment and transfer of such tangible  
9 personal property as newsprint and ink for the primary purpose  
10 of conveying news (with or without other information) is not a  
11 purchase, use or sale of tangible personal property.

12 A person whose activities are organized and conducted  
13 primarily as a not-for-profit service enterprise, and who  
14 engages in selling tangible personal property at retail  
15 (whether to the public or merely to members and their guests)  
16 is engaged in the business of selling tangible personal  
17 property at retail with respect to such transactions,  
18 excepting only a person organized and operated exclusively for  
19 charitable, religious or educational purposes either (1), to  
20 the extent of sales by such person to its members, students,  
21 patients or inmates of tangible personal property to be used  
22 primarily for the purposes of such person, or (2), to the  
23 extent of sales by such person of tangible personal property  
24 which is not sold or offered for sale by persons organized for  
25 profit. The selling of school books and school supplies by  
26 schools at retail to students is not "primarily for the

1 purposes of" the school which does such selling. The  
2 provisions of this paragraph shall not apply to nor subject to  
3 taxation occasional dinners, socials or similar activities of  
4 a person organized and operated exclusively for charitable,  
5 religious or educational purposes, whether or not such  
6 activities are open to the public.

7 A person who is the recipient of a grant or contract under  
8 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
9 serves meals to participants in the federal Nutrition Program  
10 for the Elderly in return for contributions established in  
11 amount by the individual participant pursuant to a schedule of  
12 suggested fees as provided for in the federal Act is not  
13 engaged in the business of selling tangible personal property  
14 at retail with respect to such transactions.

15 "Purchaser" means anyone who, through a sale at retail,  
16 acquires the ownership of or title to tangible personal  
17 property for a valuable consideration.

18 "Reseller of motor fuel" means any person engaged in the  
19 business of selling or delivering or transferring title of  
20 motor fuel to another person other than for use or  
21 consumption. No person shall act as a reseller of motor fuel  
22 within this State without first being registered as a reseller  
23 pursuant to Section 2c or a retailer pursuant to Section 2a.

24 "Selling price" or the "amount of sale" means the  
25 consideration for a sale valued in money whether received in  
26 money or otherwise, including cash, credits, property, other

1 than as hereinafter provided, and services, but, prior to  
2 January 1, 2020 and beginning again on January 1, 2022, not  
3 including the value of or credit given for traded-in tangible  
4 personal property where the item that is traded-in is of like  
5 kind and character as that which is being sold; beginning  
6 January 1, 2020 and until January 1, 2022, "selling price"  
7 includes the portion of the value of or credit given for  
8 traded-in motor vehicles of the First Division as defined in  
9 Section 1-146 of the Illinois Vehicle Code of like kind and  
10 character as that which is being sold that exceeds \$10,000.  
11 "Selling price" shall be determined without any deduction on  
12 account of the cost of the property sold, the cost of materials  
13 used, labor or service cost or any other expense whatsoever,  
14 but does not include charges that are added to prices by  
15 sellers on account of the seller's tax liability under this  
16 Act, or on account of the seller's duty to collect, from the  
17 purchaser, the tax that is imposed by the Use Tax Act, or,  
18 except as otherwise provided with respect to any cigarette tax  
19 imposed by a home rule unit, on account of the seller's tax  
20 liability under any local occupation tax administered by the  
21 Department, or, except as otherwise provided with respect to  
22 any cigarette tax imposed by a home rule unit on account of the  
23 seller's duty to collect, from the purchasers, the tax that is  
24 imposed under any local use tax administered by the  
25 Department. Effective December 1, 1985, "selling price" shall  
26 include charges that are added to prices by sellers on account

1 of the seller's tax liability under the Cigarette Tax Act, on  
2 account of the sellers' duty to collect, from the purchaser,  
3 the tax imposed under the Cigarette Use Tax Act, and on account  
4 of the seller's duty to collect, from the purchaser, any  
5 cigarette tax imposed by a home rule unit.

6 Notwithstanding any law to the contrary, for any motor  
7 vehicle, as defined in Section 1-146 of the Vehicle Code, that  
8 is sold on or after January 1, 2015 for the purpose of leasing  
9 the vehicle for a defined period that is longer than one year  
10 and (1) is a motor vehicle of the second division that: (A) is  
11 a self-contained motor vehicle designed or permanently  
12 converted to provide living quarters for recreational,  
13 camping, or travel use, with direct walk through access to the  
14 living quarters from the driver's seat; (B) is of the van  
15 configuration designed for the transportation of not less than  
16 7 nor more than 16 passengers; or (C) has a gross vehicle  
17 weight rating of 8,000 pounds or less or (2) is a motor vehicle  
18 of the first division, "selling price" or "amount of sale"  
19 means the consideration received by the lessor pursuant to the  
20 lease contract, including amounts due at lease signing and all  
21 monthly or other regular payments charged over the term of the  
22 lease. Also included in the selling price is any amount  
23 received by the lessor from the lessee for the leased vehicle  
24 that is not calculated at the time the lease is executed,  
25 including, but not limited to, excess mileage charges and  
26 charges for excess wear and tear. For sales that occur in

1 Illinois, with respect to any amount received by the lessor  
2 from the lessee for the leased vehicle that is not calculated  
3 at the time the lease is executed, the lessor who purchased the  
4 motor vehicle does not incur the tax imposed by the Use Tax Act  
5 on those amounts, and the retailer who makes the retail sale of  
6 the motor vehicle to the lessor is not required to collect the  
7 tax imposed by the Use Tax Act or to pay the tax imposed by  
8 this Act on those amounts. However, the lessor who purchased  
9 the motor vehicle assumes the liability for reporting and  
10 paying the tax on those amounts directly to the Department in  
11 the same form (Illinois Retailers' Occupation Tax, and local  
12 retailers' occupation taxes, if applicable) in which the  
13 retailer would have reported and paid such tax if the retailer  
14 had accounted for the tax to the Department. For amounts  
15 received by the lessor from the lessee that are not calculated  
16 at the time the lease is executed, the lessor must file the  
17 return and pay the tax to the Department by the due date  
18 otherwise required by this Act for returns other than  
19 transaction returns. If the retailer is entitled under this  
20 Act to a discount for collecting and remitting the tax imposed  
21 under this Act to the Department with respect to the sale of  
22 the motor vehicle to the lessor, then the right to the discount  
23 provided in this Act shall be transferred to the lessor with  
24 respect to the tax paid by the lessor for any amount received  
25 by the lessor from the lessee for the leased vehicle that is  
26 not calculated at the time the lease is executed; provided

1 that the discount is only allowed if the return is timely filed  
2 and for amounts timely paid. The "selling price" of a motor  
3 vehicle that is sold on or after January 1, 2015 for the  
4 purpose of leasing for a defined period of longer than one year  
5 shall not be reduced by the value of or credit given for  
6 traded-in tangible personal property owned by the lessor, nor  
7 shall it be reduced by the value of or credit given for  
8 traded-in tangible personal property owned by the lessee,  
9 regardless of whether the trade-in value thereof is assigned  
10 by the lessee to the lessor. In the case of a motor vehicle  
11 that is sold for the purpose of leasing for a defined period of  
12 longer than one year, the sale occurs at the time of the  
13 delivery of the vehicle, regardless of the due date of any  
14 lease payments. A lessor who incurs a Retailers' Occupation  
15 Tax liability on the sale of a motor vehicle coming off lease  
16 may not take a credit against that liability for the Use Tax  
17 the lessor paid upon the purchase of the motor vehicle (or for  
18 any tax the lessor paid with respect to any amount received by  
19 the lessor from the lessee for the leased vehicle that was not  
20 calculated at the time the lease was executed) if the selling  
21 price of the motor vehicle at the time of purchase was  
22 calculated using the definition of "selling price" as defined  
23 in this paragraph. Notwithstanding any other provision of this  
24 Act to the contrary, lessors shall file all returns and make  
25 all payments required under this paragraph to the Department  
26 by electronic means in the manner and form as required by the



1 Department. This paragraph does not apply to leases of motor  
2 vehicles for which, at the time the lease is entered into, the  
3 term of the lease is not a defined period, including leases  
4 with a defined initial period with the option to continue the  
5 lease on a month-to-month or other basis beyond the initial  
6 defined period.

7 The phrase "like kind and character" shall be liberally  
8 construed (including but not limited to any form of motor  
9 vehicle for any form of motor vehicle, or any kind of farm or  
10 agricultural implement for any other kind of farm or  
11 agricultural implement), while not including a kind of item  
12 which, if sold at retail by that retailer, would be exempt from  
13 retailers' occupation tax and use tax as an isolated or  
14 occasional sale.

15 "Gross receipts" from the sales of tangible personal  
16 property at retail means the total selling price or the amount  
17 of such sales, as hereinbefore defined. In the case of charge  
18 and time sales, the amount thereof shall be included only as  
19 and when payments are received by the seller. Receipts or  
20 other consideration derived by a seller from the sale,  
21 transfer or assignment of accounts receivable to a wholly  
22 owned subsidiary will not be deemed payments prior to the time  
23 the purchaser makes payment on such accounts.

24 "Department" means the Department of Revenue.

25 "Person" means any natural individual, firm, partnership,  
26 association, joint stock company, joint adventure, public or

1 private corporation, limited liability company, or a receiver,  
2 executor, trustee, guardian or other representative appointed  
3 by order of any court.

4 The isolated or occasional sale of tangible personal  
5 property at retail by a person who does not hold himself out as  
6 being engaged (or who does not habitually engage) in selling  
7 such tangible personal property at retail, or a sale through a  
8 bulk vending machine, does not constitute engaging in a  
9 business of selling such tangible personal property at retail  
10 within the meaning of this Act; provided that any person who is  
11 engaged in a business which is not subject to the tax imposed  
12 by this Act because of involving the sale of or a contract to  
13 sell real estate or a construction contract to improve real  
14 estate or a construction contract to engineer, install, and  
15 maintain an integrated system of products, but who, in the  
16 course of conducting such business, transfers tangible  
17 personal property to users or consumers in the finished form  
18 in which it was purchased, and which does not become real  
19 estate or was not engineered and installed, under any  
20 provision of a construction contract or real estate sale or  
21 real estate sales agreement entered into with some other  
22 person arising out of or because of such nontaxable business,  
23 is engaged in the business of selling tangible personal  
24 property at retail to the extent of the value of the tangible  
25 personal property so transferred. If, in such a transaction, a  
26 separate charge is made for the tangible personal property so

1 transferred, the value of such property, for the purpose of  
2 this Act, shall be the amount so separately charged, but not  
3 less than the cost of such property to the transferor; if no  
4 separate charge is made, the value of such property, for the  
5 purposes of this Act, is the cost to the transferor of such  
6 tangible personal property. Construction contracts for the  
7 improvement of real estate consisting of engineering,  
8 installation, and maintenance of voice, data, video, security,  
9 and all telecommunication systems do not constitute engaging  
10 in a business of selling tangible personal property at retail  
11 within the meaning of this Act if they are sold at one  
12 specified contract price.

13 A person who holds himself or herself out as being engaged  
14 (or who habitually engages) in selling tangible personal  
15 property at retail is a person engaged in the business of  
16 selling tangible personal property at retail hereunder with  
17 respect to such sales (and not primarily in a service  
18 occupation) notwithstanding the fact that such person designs  
19 and produces such tangible personal property on special order  
20 for the purchaser and in such a way as to render the property  
21 of value only to such purchaser, if such tangible personal  
22 property so produced on special order serves substantially the  
23 same function as stock or standard items of tangible personal  
24 property that are sold at retail.

25 Persons who engage in the business of transferring  
26 tangible personal property upon the redemption of trading

1 stamps are engaged in the business of selling such property at  
2 retail and shall be liable for and shall pay the tax imposed by  
3 this Act on the basis of the retail value of the property  
4 transferred upon redemption of such stamps.

5 "Bulk vending machine" means a vending machine, containing  
6 unsorted confections, nuts, toys, or other items designed  
7 primarily to be used or played with by children which, when a  
8 coin or coins of a denomination not larger than \$0.50 are  
9 inserted, are dispensed in equal portions, at random and  
10 without selection by the customer.

11 "Remote retailer" means a retailer that does not maintain  
12 within this State, directly or by a subsidiary, an office,  
13 distribution house, sales house, warehouse or other place of  
14 business, or any agent or other representative operating  
15 within this State under the authority of the retailer or its  
16 subsidiary, irrespective of whether such place of business or  
17 agent is located here permanently or temporarily or whether  
18 such retailer or subsidiary is licensed to do business in this  
19 State.

20 "Marketplace" means a physical or electronic place, forum,  
21 platform, application, or other method by which a marketplace  
22 seller sells or offers to sell items.

23 "Marketplace facilitator" means a person who, pursuant to  
24 an agreement with an unrelated third-party marketplace seller,  
25 directly or indirectly through one or more affiliates  
26 facilitates a retail sale by an unrelated third party

1 marketplace seller by:

2 (1) listing or advertising for sale by the marketplace  
3 seller in a marketplace, tangible personal property that  
4 is subject to tax under this Act; and

5 (2) either directly or indirectly, through agreements  
6 or arrangements with third parties, collecting payment  
7 from the customer and transmitting that payment to the  
8 marketplace seller regardless of whether the marketplace  
9 facilitator receives compensation or other consideration  
10 in exchange for its services.

11 A person who provides advertising services, including  
12 listing products for sale, is not considered a marketplace  
13 facilitator, so long as the advertising service platform or  
14 forum does not engage, directly or indirectly through one or  
15 more affiliated persons, in the activities described in  
16 paragraph (2) of this definition of "marketplace facilitator".

17 "Marketplace seller" means a person that makes sales  
18 through a marketplace operated by an unrelated third party  
19 marketplace facilitator.

20 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

21 Section 15. The Illinois Vehicle Code is amended by  
22 changing Sections 3-819, 3-821, and 3-1001 and by adding  
23 Section 1-216.5 as follows:

24 (625 ILCS 5/1-216.5 new)

1       Sec. 1-216.5. Utility trailer. A trailer, as defined in  
 2       Section 1-209 of this Code, consisting of only one axle,  
 3       weighing under 2,000 pounds, and used primarily for personal  
 4       or individual use and not commercially used nor owned by a  
 5       commercial business.

6           (625 ILCS 5/3-819) (from Ch. 95 1/2, par. 3-819)

7       Sec. 3-819. Trailer; ~~Flat weight~~ tax.

8           (a) Farm Trailer. Any farm trailer drawn by a motor  
 9       vehicle of the second division registered under paragraph (a)  
 10      or (c) of Section 3-815 and used exclusively by the owner for  
 11      his own agricultural, horticultural or livestock raising  
 12      operations and not used for hire, or any farm trailer utilized  
 13      only in the transportation for-hire of seasonal, fresh,  
 14      perishable fruit or vegetables from farm to the point of first  
 15      processing, and any trailer used with a farm tractor that is  
 16      not an implement of husbandry may be registered under this  
 17      paragraph in lieu of registration under paragraph (b) of this  
 18      Section upon the filing of a proper application and the  
 19      payment of the \$10 registration fee and the highway use tax  
 20      herein for use of the public highways of this State, at the  
 21      following rates which include the \$10 registration fee:

22                                   SCHEDULE OF FEES AND TAXES

23   Gross Weight in Lbs.	Class	Total Amount
24   Including Vehicle		each
25   and Maximum Load		Fiscal Year

1	10,000 lbs. or less	VDD	\$160
2	10,001 to 14,000 lbs.	VDE	206
3	14,001 to 20,000 lbs.	VDG	266
4	20,001 to 28,000 lbs.	VDJ	478
5	28,001 to 36,000 lbs.	VDL	750

6 An owner may only apply for and receive 2 ~~two~~ farm trailer  
7 registrations.

8 (b) All other owners of trailers, other than apportionable  
9 trailers registered under Section 3-402.1 of this Code, used  
10 with a motor vehicle on the public highways, shall pay to the  
11 Secretary of State for each registration year a flat weight  
12 tax, for the use of the public highways of this State, at the  
13 following rates (which includes the registration fee of \$10  
14 required by Section 3-813):

15 SCHEDULE OF TRAILER FLAT

16 WEIGHT TAX REQUIRED

17 BY LAW

18	Gross Weight in Lbs.		Total Fees
19	Including Vehicle and		each
20	Maximum Load	Class	Fiscal Year
21	<u>2,000 lbs. and less</u>	<u>UT</u>	<u>\$36</u>
22	3,000 lbs. and less	TA	<u>\$36</u> <del>\$118</del>
23	5,000 lbs. and more than 3,000	TB	154
24	8,000 lbs. and more than 5,000	TC	158
25	10,000 lbs. and more than 8,000	TD	206
26	14,000 lbs. and more than 10,000	TE	270

1	20,000 lbs. and more than 14,000	TG	358
2	32,000 lbs. and more than 20,000	TK	822
3	36,000 lbs. and more than 32,000	TL	1,182
4	40,000 lbs. and more than 36,000	TN	1,602

5 Of the fees collected under this subsection, other than  
6 the fee collected for a Class UT or TA trailer, \$1 of the fees  
7 shall be deposited into the Secretary of State Special  
8 Services Fund and \$99 of the ~~additional~~ fees shall be  
9 deposited into the Road Fund.

10 (c) The number of axles necessary to carry the maximum  
11 load provided shall be determined from Chapter 15 of this  
12 Code.

13 (Source: P.A. 101-32, eff. 6-28-19.)

14 (625 ILCS 5/3-821) (from Ch. 95 1/2, par. 3-821)

15 Sec. 3-821. Miscellaneous registration and title fees.

16 (a) Except as provided under subsection (h), the fee to be  
17 paid to the Secretary of State for the following certificates,  
18 registrations or evidences of proper registration, or for  
19 corrected or duplicate documents shall be in accordance with  
20 the following schedule:

21 ~~Certificate of Title, except for an all-terrain~~  
22 ~~vehicle or off-highway motorcycle, prior to July 1,~~  
23 ~~2019~~

~~\$95~~

24 Certificate of Title, except for an all-terrain  
25 vehicle, off-highway motorcycle, or motor home, mini



1	motor home or van camper, <del>on and after July 1, 2019</del>	<u>\$155</u> <del>\$150</del>
2	Certificate of Title for a motor home, mini motor	
3	home, or van camper, <del>on and after July 1, 2019</del>	\$250
4	Certificate of Title for an all-terrain vehicle	
5	or off-highway motorcycle	\$30
6	Certificate of Title for an all-terrain vehicle	
7	or off-highway motorcycle used for production	
8	agriculture, or accepted by a dealer in trade	\$13
9	Certificate of Title for a low-speed vehicle	\$30
10	Transfer of Registration or any evidence of	
11	proper registration	\$25
12	Duplicate Registration Card for plates or other	
13	evidence of proper registration	\$3
14	Duplicate Registration Sticker or Stickers, each	\$20
15	<del>Duplicate Certificate of Title, prior to July 1,</del>	
16	<del>2019</del>	<del>\$95</del>
17	Duplicate Certificate of Title, <del>on and after July</del>	
18	<del>1, 2019</del>	\$50
19	Corrected Registration Card or Card for other	
20	evidence of proper registration	\$3
21	Corrected Certificate of Title	\$50
22	<del>Salvage Certificate, prior to July 1, 2019</del>	<del>\$4</del>
23	Salvage Certificate, <del>on and after July 1, 2019</del>	\$20
24	Fleet Reciprocity Permit	\$15
25	Prorate Decal	\$1
26	Prorate Backing Plate	\$3

1	Special Corrected Certificate of Title	\$15
2	Expedited Title Service (to be charged in	
3	addition to other applicable fees)	\$30
4	Dealer Lien Release Certificate of Title	\$20

5 A special corrected certificate of title shall be issued  
6 (i) to remove a co-owner's name due to the death of the  
7 co-owner, to transfer title to a spouse if the decedent-spouse  
8 was the sole owner on the title, or due to a divorce; (ii) to  
9 change a co-owner's name due to a marriage; or (iii) due to a  
10 name change under Article XXI of the Code of Civil Procedure.

11 There shall be no fee paid for a Junking Certificate.

12 There shall be no fee paid for a certificate of title  
13 issued to a county when the vehicle is forfeited to the county  
14 under Article 36 of the Criminal Code of 2012.

15 For purposes of this Section, the fee for a corrected  
16 title application that also results in the issuance of a  
17 duplicate title shall be the same as the fee for a duplicate  
18 title.

19 (a-5) The Secretary of State may revoke a certificate of  
20 title and registration card and issue a corrected certificate  
21 of title and registration card, at no fee to the vehicle owner  
22 or lienholder, if there is proof that the vehicle  
23 identification number is erroneously shown on the original  
24 certificate of title.

25 (a-10) The Secretary of State may issue, in connection  
26 with the sale of a motor vehicle, a corrected title to a motor

1 vehicle dealer upon application and submittal of a lien  
2 release letter from the lienholder listed in the files of the  
3 Secretary. In the case of a title issued by another state, the  
4 dealer must submit proof from the state that issued the last  
5 title. The corrected title, which shall be known as a dealer  
6 lien release certificate of title, shall be issued in the name  
7 of the vehicle owner without the named lienholder. If the  
8 motor vehicle is currently titled in a state other than  
9 Illinois, the applicant must submit either (i) a letter from  
10 the current lienholder releasing the lien and stating that the  
11 lienholder has possession of the title; or (ii) a letter from  
12 the current lienholder releasing the lien and a copy of the  
13 records of the department of motor vehicles for the state in  
14 which the vehicle is titled, showing that the vehicle is  
15 titled in the name of the applicant and that no liens are  
16 recorded other than the lien for which a release has been  
17 submitted. The fee for the dealer lien release certificate of  
18 title is \$20.

19 (b) The Secretary may prescribe the maximum service charge  
20 to be imposed upon an applicant for renewal of a registration  
21 by any person authorized by law to receive and remit or  
22 transmit to the Secretary such renewal application and fees  
23 therewith.

24 (c) If payment is delivered to the Office of the Secretary  
25 of State as payment of any fee or tax under this Code, and such  
26 payment is not honored for any reason, the registrant or other

1 person tendering the payment remains liable for the payment of  
2 such fee or tax. The Secretary of State may assess a service  
3 charge of \$25 in addition to the fee or tax due and owing for  
4 all dishonored payments.

5 If the total amount then due and owing exceeds the sum of  
6 \$100 and has not been paid in full within 60 days from the date  
7 the dishonored payment was first delivered to the Secretary of  
8 State, the Secretary of State shall assess a penalty of 25% of  
9 such amount remaining unpaid.

10 All amounts payable under this Section shall be computed  
11 to the nearest dollar. Out of each fee collected for  
12 dishonored payments, \$5 shall be deposited in the Secretary of  
13 State Special Services Fund.

14 (d) The minimum fee and tax to be paid by any applicant for  
15 apportionment of a fleet of vehicles under this Code shall be  
16 \$15 if the application was filed on or before the date  
17 specified by the Secretary together with fees and taxes due.  
18 If an application and the fees or taxes due are filed after the  
19 date specified by the Secretary, the Secretary may prescribe  
20 the payment of interest at the rate of 1/2 of 1% per month or  
21 fraction thereof after such due date and a minimum of \$8.

22 (e) Trucks, truck tractors, truck tractors with loads, and  
23 motor buses, any one of which having a combined total weight in  
24 excess of 12,000 lbs. shall file an application for a Fleet  
25 Reciprocity Permit issued by the Secretary of State. This  
26 permit shall be in the possession of any driver operating a

1 vehicle on Illinois highways. Any foreign licensed vehicle of  
2 the second division operating at any time in Illinois without  
3 a Fleet Reciprocity Permit or other proper Illinois  
4 registration, shall subject the operator to the penalties  
5 provided in Section 3-834 of this Code. For the purposes of  
6 this Code, "Fleet Reciprocity Permit" means any second  
7 division motor vehicle with a foreign license and used only in  
8 interstate transportation of goods. The fee for such permit  
9 shall be \$15 per fleet which shall include all vehicles of the  
10 fleet being registered.

11 (f) For purposes of this Section, "all-terrain vehicle or  
12 off-highway motorcycle used for production agriculture" means  
13 any all-terrain vehicle or off-highway motorcycle used in the  
14 raising of or the propagation of livestock, crops for sale for  
15 human consumption, crops for livestock consumption, and  
16 production seed stock grown for the propagation of feed grains  
17 and the husbandry of animals or for the purpose of providing a  
18 food product, including the husbandry of blood stock as a main  
19 source of providing a food product. "All-terrain vehicle or  
20 off-highway motorcycle used in production agriculture" also  
21 means any all-terrain vehicle or off-highway motorcycle used  
22 in animal husbandry, floriculture, aquaculture, horticulture,  
23 and viticulture.

24 (g) All of the proceeds of the additional fees imposed by  
25 Public Act 96-34 shall be deposited into the Capital Projects  
26 Fund.

1 (h) The fee for a duplicate registration sticker or  
2 stickers shall be the amount required under subsection (a) or  
3 the vehicle's annual registration fee amount, whichever is  
4 less.

5 (i) All of the proceeds of (1) the additional fees imposed  
6 by Public Act 101-32, and (2) the \$5 additional fee imposed by  
7 this amendatory Act of the 102nd General Assembly for a  
8 certificate of title for a motor vehicle other than an  
9 all-terrain vehicle, off-highway motorcycle, or motor home,  
10 mini motor home, or van camper ~~this amendatory Act of the 101st~~  
11 ~~General Assembly~~ shall be deposited into the Road Fund.

12 (Source: P.A. 100-956, eff. 1-1-19; 101-32, eff. 6-28-19;  
13 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

14 (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

15 Sec. 3-1001. A tax is hereby imposed on the privilege of  
16 using, in this State, any motor vehicle as defined in Section  
17 1-146 of this Code acquired by gift, transfer, or purchase,  
18 and having a year model designation preceding the year of  
19 application for title by 5 or fewer years prior to October 1,  
20 1985 and 10 or fewer years on and after October 1, 1985 and  
21 prior to January 1, 1988. On and after January 1, 1988, the tax  
22 shall apply to all motor vehicles without regard to model  
23 year. Except that the tax shall not apply

24 (i) if the use of the motor vehicle is otherwise taxed  
25 under the Use Tax Act;

1 (ii) if the motor vehicle is bought and used by a  
 2 governmental agency or a society, association, foundation  
 3 or institution organized and operated exclusively for  
 4 charitable, religious or educational purposes;

5 (iii) if the use of the motor vehicle is not subject to  
 6 the Use Tax Act by reason of subsection (a), (b), (c), (d),  
 7 (e) or (f) of Section 3-55 of that Act dealing with the  
 8 prevention of actual or likely multistate taxation;

9 (iv) to implements of husbandry;

10 (v) when a junking certificate is issued pursuant to  
 11 Section 3-117(a) of this Code;

12 (vi) when a vehicle is subject to the replacement  
 13 vehicle tax imposed by Section 3-2001 of this Act;

14 (vii) when the transfer is a gift to a beneficiary in  
 15 the administration of an estate and the beneficiary is a  
 16 surviving spouse.

17 Prior to January 1, 1988, the rate of tax shall be 5% of  
 18 the selling price for each purchase of a motor vehicle covered  
 19 by Section 3-1001 of this Code. Except as hereinafter  
 20 provided, beginning January 1, 1988 and until January 1, 2022,  
 21 the rate of tax shall be as follows for transactions in which  
 22 the selling price of the motor vehicle is less than \$15,000:

Number of Years Transpired After	Applicable Tax
Model Year of Motor Vehicle	
1 or less	\$390
2	290

1	3	215
2	4	165
3	5	115
4	6	90
5	7	80
6	8	65
7	9	50
8	10	40
9	over 10	25

10 Except as hereinafter provided, beginning January 1, 1988 and  
 11 until January 1, 2022, the rate of tax shall be as follows for  
 12 transactions in which the selling price of the motor vehicle  
 13 is \$15,000 or more:

14	Selling Price	Applicable Tax
15	\$15,000 - \$19,999	\$ 750
16	\$20,000 - \$24,999	\$1,000
17	\$25,000 - \$29,999	\$1,250
18	\$30,000 and over	\$1,500

19 Except as hereinafter provided, beginning on January 1,  
 20 2022, the rate of tax shall be as follows for transactions in  
 21 which the selling price of the motor vehicle is less than  
 22 \$15,000:

23 (1) if one year or less has transpired after the model  
 24 year of the vehicle, then the applicable tax is \$465;

25 (2) if 2 years have transpired after the model year of  
 26 the motor vehicle, then the applicable tax is \$365;



1           (3) if 3 years have transpired after the model year of  
2           the motor vehicle, then the applicable tax is \$290;

3           (4) if 4 years have transpired after the model year of  
4           the motor vehicle, then the applicable tax is \$240;

5           (5) if 5 years have transpired after the model year of  
6           the motor vehicle, then the applicable tax is \$190;

7           (6) if 6 years have transpired after the model year of  
8           the motor vehicle, then the applicable tax is \$165;

9           (7) if 7 years have transpired after the model year of  
10          the motor vehicle, then the applicable tax is \$155;

11          (8) if 8 years have transpired after the model year of  
12          the motor vehicle, then the applicable tax is \$140;

13          (9) if 9 years have transpired after the model year of  
14          the motor vehicle, then the applicable tax is \$125;

15          (10) if 10 years have transpired after the model year  
16          of the motor vehicle, then the applicable tax is \$115; and

17          (11) if more than 10 years have transpired after the  
18          model year of the motor vehicle, then the applicable tax  
19          is \$100.

20          Except as hereinafter provided, beginning on January 1,  
21          2022, the rate of tax shall be as follows for transactions in  
22          which the selling price of the motor vehicle is \$15,000 or  
23          more:

24               (1) if the selling price is \$15,000 or more, but less  
25               than \$20,000, then the applicable tax shall be \$850;

26               (2) if the selling price is \$20,000 or more, but less

1 than \$25,000, then the applicable tax shall be \$1,100;

2 (3) if the selling price is \$25,000 or more, but less  
3 than \$30,000, then the applicable tax shall be \$1,350;

4 (4) if the selling price is \$30,000 or more, but less  
5 than \$50,000, then the applicable tax shall be \$1,600;

6 (5) if the selling price is \$50,000 or more, but less  
7 than \$100,000, then the applicable tax shall be \$2,600;

8 (6) if the selling price is \$100,000 or more, but less  
9 than \$1,000,000, then the applicable tax shall be \$5,100;

10 and

11 (7) if the selling price is \$1,000,000 or more, then  
12 the applicable tax shall be \$10,100.

13 For the following transactions, the tax rate shall be \$15 for  
14 each motor vehicle acquired in such transaction:

15 (i) when the transferee or purchaser is the spouse,  
16 mother, father, brother, sister or child of the  
17 transferor;

18 (ii) when the transfer is a gift to a beneficiary in  
19 the administration of an estate and the beneficiary is not  
20 a surviving spouse;

21 (iii) when a motor vehicle which has once been  
22 subjected to the Illinois retailers' occupation tax or use  
23 tax is transferred in connection with the organization,  
24 reorganization, dissolution or partial liquidation of an  
25 incorporated or unincorporated business wherein the  
26 beneficial ownership is not changed.

1           A claim that the transaction is taxable under subparagraph  
2           (i) shall be supported by such proof of family relationship as  
3           provided by rules of the Department.

4           For a transaction in which a motorcycle, motor driven  
5           cycle or moped is acquired the tax rate shall be \$25.

6           On and after October 1, 1985 and until January 1, 2022,  
7           1/12 of \$5,000,000 of the moneys received by the Department of  
8           Revenue pursuant to this Section shall be paid each month into  
9           the Build Illinois Fund; on and after January 1, 2022, 1/12 of  
10           \$40,000,000 of the moneys received by the Department of  
11           Revenue pursuant to this Section shall be paid each month into  
12           the Build Illinois Fund; and the remainder shall be paid into  
13           the General Revenue Fund.

14           The tax imposed by this Section shall be abated and no  
15           longer imposed when the amount deposited to secure the bonds  
16           issued pursuant to the Build Illinois Bond Act is sufficient  
17           to provide for the payment of the principal of, and interest  
18           and premium, if any, on the bonds, as certified to the State  
19           Comptroller and the Director of Revenue by the Director of the  
20           Governor's Office of Management and Budget.

21           (Source: P.A. 96-554, eff. 1-1-10.)

22           Section 99. Effective date. This Act takes effect January  
23           1, 2022.