

1 AN ACT concerning revenue.

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

4 ARTICLE 5. EDGE CREDIT

5 Section 5-5. The Economic Development for a Growing  
6 Economy Tax Credit Act is amended by changing Sections 5-5,  
7 5-15, 5-20, and 5-77 as follows:

8 (35 ILCS 10/5-5)

9 Sec. 5-5. Definitions. As used in this Act:

10 "Agreement" means the Agreement between a Taxpayer and the  
11 Department under the provisions of Section 5-50 of this Act.

12 "Applicant" means a Taxpayer that is operating a business  
13 located or that the Taxpayer plans to locate within the State  
14 of Illinois and that is engaged in interstate or intrastate  
15 commerce for the purpose of manufacturing, processing,  
16 assembling, warehousing, or distributing products, conducting  
17 research and development, providing tourism services, or  
18 providing services in interstate commerce, office industries,  
19 or agricultural processing, but excluding retail, retail food,  
20 health, or professional services. "Applicant" does not include  
21 a Taxpayer who closes or substantially reduces an operation at  
22 one location in the State and relocates substantially the same

1 operation to another location in the State. This does not  
2 prohibit a Taxpayer from expanding its operations at another  
3 location in the State, provided that existing operations of a  
4 similar nature located within the State are not closed or  
5 substantially reduced. This also does not prohibit a Taxpayer  
6 from moving its operations from one location in the State to  
7 another location in the State for the purpose of expanding the  
8 operation provided that the Department determines that  
9 expansion cannot reasonably be accommodated within the  
10 municipality in which the business is located, or in the case  
11 of a business located in an incorporated area of the county,  
12 within the county in which the business is located, after  
13 conferring with the chief elected official of the municipality  
14 or county and taking into consideration any evidence offered  
15 by the municipality or county regarding the ability to  
16 accommodate expansion within the municipality or county.

17 "Credit" means the amount agreed to between the Department  
18 and Applicant under this Act, but not to exceed the lesser of:  
19 (1) the sum of (i) 50% of the Incremental Income Tax  
20 attributable to New Employees at the Applicant's project and  
21 (ii) 10% of the training costs of New Employees; or (2) 100% of  
22 the Incremental Income Tax attributable to New Employees at  
23 the Applicant's project. However, if the project is located in  
24 an underserved area, then the amount of the Credit may not  
25 exceed the lesser of: (1) the sum of (i) 75% of the Incremental  
26 Income Tax attributable to New Employees at the Applicant's

1 project and (ii) 10% of the training costs of New Employees; or  
2 (2) 100% of the Incremental Income Tax attributable to New  
3 Employees at the Applicant's project. If an Applicant agrees  
4 to hire the required number of New Employees, then the maximum  
5 amount of the Credit for that Applicant may be increased by an  
6 amount not to exceed 25% of the Incremental Income Tax  
7 attributable to retained employees at the Applicant's project;  
8 provided that, in order to receive the increase for retained  
9 employees, the Applicant must provide the additional evidence  
10 required under paragraph (3) of subsection (b) of Section  
11 5-25.

12 "Department" means the Department of Commerce and Economic  
13 Opportunity.

14 "Director" means the Director of Commerce and Economic  
15 Opportunity.

16 "Full-time Employee" means an individual who is employed  
17 for consideration for at least 35 hours each week or who  
18 renders any other standard of service generally accepted by  
19 industry custom or practice as full-time employment. An  
20 individual for whom a W-2 is issued by a Professional Employer  
21 Organization (PEO) is a full-time employee if employed in the  
22 service of the Applicant for consideration for at least 35  
23 hours each week or who renders any other standard of service  
24 generally accepted by industry custom or practice as full-time  
25 employment to Applicant.

26 "Incremental Income Tax" means the total amount withheld

1 during the taxable year from the compensation of New Employees  
2 and, if applicable, retained employees under Article 7 of the  
3 Illinois Income Tax Act arising from employment at a project  
4 that is the subject of an Agreement.

5 "New Construction EDGE Agreement" means the Agreement  
6 between a Taxpayer and the Department under the provisions of  
7 Section 5-51 of this Act.

8 "New Construction EDGE Credit" means an amount agreed to  
9 between the Department and the Applicant under this Act as  
10 part of a New Construction EDGE Agreement that does not exceed  
11 50% of the Incremental Income Tax attributable to New  
12 Construction EDGE Employees at the Applicant's project;  
13 however, if the New Construction EDGE Project is located in an  
14 underserved area, then the amount of the New Construction EDGE  
15 Credit may not exceed 75% of the Incremental Income Tax  
16 attributable to New Construction EDGE Employees at the  
17 Applicant's New Construction EDGE Project.

18 "New Construction EDGE Employee" means a laborer or worker  
19 who is employed by an Illinois contractor or subcontractor in  
20 the actual construction work on the site of a New Construction  
21 EDGE Project, pursuant to a New Construction EDGE Agreement.

22 "New Construction EDGE Incremental Income Tax" means the  
23 total amount withheld during the taxable year from the  
24 compensation of New Construction EDGE Employees.

25 "New Construction EDGE Project" means the building of a  
26 Taxpayer's structure or building, or making improvements of

1 any kind to real property. "New Construction EDGE Project"  
2 does not include the routine operation, routine repair, or  
3 routine maintenance of existing structures, buildings, or real  
4 property.

5 "New Employee" means:

6 (a) A Full-time Employee first employed by a Taxpayer  
7 in the project that is the subject of an Agreement and who  
8 is hired after the Taxpayer enters into the tax credit  
9 Agreement.

10 (b) The term "New Employee" does not include:

11 (1) an employee of the Taxpayer who performs a job  
12 that was previously performed by another employee, if  
13 that job existed for at least 6 months before hiring  
14 the employee;

15 (2) an employee of the Taxpayer who was previously  
16 employed in Illinois by a Related Member of the  
17 Taxpayer and whose employment was shifted to the  
18 Taxpayer after the Taxpayer entered into the tax  
19 credit Agreement; or

20 (3) a child, grandchild, parent, or spouse, other  
21 than a spouse who is legally separated from the  
22 individual, of any individual who has a direct or an  
23 indirect ownership interest of at least 5% in the  
24 profits, capital, or value of the Taxpayer.

25 (c) Notwithstanding paragraph (1) of subsection (b),  
26 an employee may be considered a New Employee under the

1 Agreement if the employee performs a job that was  
2 previously performed by an employee who was:

3 (1) treated under the Agreement as a New Employee;  
4 and

5 (2) promoted by the Taxpayer to another job.

6 (d) Notwithstanding subsection (a), the Department may  
7 award Credit to an Applicant with respect to an employee  
8 hired prior to the date of the Agreement if:

9 (1) the Applicant is in receipt of a letter from  
10 the Department stating an intent to enter into a  
11 credit Agreement;

12 (2) the letter described in paragraph (1) is  
13 issued by the Department not later than 15 days after  
14 the effective date of this Act; and

15 (3) the employee was hired after the date the  
16 letter described in paragraph (1) was issued.

17 "Noncompliance Date" means, in the case of a Taxpayer that  
18 is not complying with the requirements of the Agreement or the  
19 provisions of this Act, the day following the last date upon  
20 which the Taxpayer was in compliance with the requirements of  
21 the Agreement and the provisions of this Act, as determined by  
22 the Director, pursuant to Section 5-65.

23 "Pass Through Entity" means an entity that is exempt from  
24 the tax under subsection (b) or (c) of Section 205 of the  
25 Illinois Income Tax Act.

26 "Professional Employer Organization" (PEO) means an

1 employee leasing company, as defined in Section 206.1(A)(2) of  
2 the Illinois Unemployment Insurance Act.

3 "Related Member" means a person that, with respect to the  
4 Taxpayer during any portion of the taxable year, is any one of  
5 the following:

6 (1) An individual stockholder, if the stockholder and  
7 the members of the stockholder's family (as defined in  
8 Section 318 of the Internal Revenue Code) own directly,  
9 indirectly, beneficially, or constructively, in the  
10 aggregate, at least 50% of the value of the Taxpayer's  
11 outstanding stock.

12 (2) A partnership, estate, or trust and any partner or  
13 beneficiary, if the partnership, estate, or trust, and its  
14 partners or beneficiaries own directly, indirectly,  
15 beneficially, or constructively, in the aggregate, at  
16 least 50% of the profits, capital, stock, or value of the  
17 Taxpayer.

18 (3) A corporation, and any party related to the  
19 corporation in a manner that would require an attribution  
20 of stock from the corporation to the party or from the  
21 party to the corporation under the attribution rules of  
22 Section 318 of the Internal Revenue Code, if the Taxpayer  
23 owns directly, indirectly, beneficially, or constructively  
24 at least 50% of the value of the corporation's outstanding  
25 stock.

26 (4) A corporation and any party related to that

1 corporation in a manner that would require an attribution  
2 of stock from the corporation to the party or from the  
3 party to the corporation under the attribution rules of  
4 Section 318 of the Internal Revenue Code, if the  
5 corporation and all such related parties own in the  
6 aggregate at least 50% of the profits, capital, stock, or  
7 value of the Taxpayer.

8 (5) A person to or from whom there is attribution of  
9 stock ownership in accordance with Section 1563(e) of the  
10 Internal Revenue Code, except, for purposes of determining  
11 whether a person is a Related Member under this paragraph,  
12 20% shall be substituted for 5% wherever 5% appears in  
13 Section 1563(e) of the Internal Revenue Code.

14 "Startup taxpayer" means a corporation, partnership, or  
15 other entity incorporated or organized no more than 5 years  
16 before the filing of an application for an Agreement that has  
17 never had any Illinois income tax liability, excluding any  
18 Illinois income tax liability of a Related Member which shall  
19 not be attributed to the startup taxpayer.

20 "Taxpayer" means an individual, corporation, partnership,  
21 or other entity that has any Illinois Income Tax liability.

22 Until July 1, 2022, "underserved ~~"Underserved~~ area" means  
23 a geographic area that meets one or more of the following  
24 conditions:

25 (1) the area has a poverty rate of at least 20%  
26 according to the latest federal decennial census;



1 (2) 75% or more of the children in the area  
2 participate in the federal free lunch program according to  
3 reported statistics from the State Board of Education;

4 (3) at least 20% of the households in the area receive  
5 assistance under the Supplemental Nutrition Assistance  
6 Program (SNAP); or

7 (4) the area has an average unemployment rate, as  
8 determined by the Illinois Department of Employment  
9 Security, that is more than 120% of the national  
10 unemployment average, as determined by the U.S. Department  
11 of Labor, for a period of at least 2 consecutive calendar  
12 years preceding the date of the application.

13 On and after July 1, 2022, "underserved area" means a  
14 geographic area that meets one or more of the following  
15 conditions:

16 (1) the area has a poverty rate of at least 20%  
17 according to the latest American Community Survey;

18 (2) 35% or more of the families with children in the  
19 area are living below 130% of the poverty line, according  
20 to the latest American Community Survey;

21 (3) at least 20% of the households in the area receive  
22 assistance under the Supplemental Nutrition Assistance  
23 Program (SNAP); or

24 (4) the area has an average unemployment rate, as  
25 determined by the Illinois Department of Employment  
26 Security, that is more than 120% of the national

1       unemployment average, as determined by the U.S. Department  
2       of Labor, for a period of at least 2 consecutive calendar  
3       years preceding the date of the application.

4       (Source: P.A. 101-9, eff. 6-5-19; 102-330, eff. 1-1-22.)

5               (35 ILCS 10/5-15)

6       Sec. 5-15. Tax Credit Awards. Subject to the conditions  
7       set forth in this Act, a Taxpayer is entitled to a Credit  
8       against or, as described in subsection (g) of this Section, a  
9       payment towards taxes imposed pursuant to subsections (a) and  
10      (b) of Section 201 of the Illinois Income Tax Act that may be  
11      imposed on the Taxpayer for a taxable year beginning on or  
12      after January 1, 1999, if the Taxpayer is awarded a Credit by  
13      the Department under this Act for that taxable year.

14              (a) The Department shall make Credit awards under this Act  
15      to foster job creation and retention in Illinois.

16              (b) A person that proposes a project to create new jobs in  
17      Illinois must enter into an Agreement with the Department for  
18      the Credit under this Act.

19              (c) The Credit shall be claimed for the taxable years  
20      specified in the Agreement.

21              (d) The Credit shall not exceed the Incremental Income Tax  
22      attributable to the project that is the subject of the  
23      Agreement.

24              (e) Nothing herein shall prohibit a Tax Credit Award to an  
25      Applicant that uses a PEO if all other award criteria are

1 satisfied.

2 (f) In lieu of the Credit allowed under this Act against  
3 the taxes imposed pursuant to subsections (a) and (b) of  
4 Section 201 of the Illinois Income Tax Act for any taxable year  
5 ending on or after December 31, 2009, for Taxpayers that  
6 entered into Agreements prior to January 1, 2015 and otherwise  
7 meet the criteria set forth in this subsection (f), the  
8 Taxpayer may elect to claim the Credit against its obligation  
9 to pay over withholding under Section 704A of the Illinois  
10 Income Tax Act.

11 (1) The election under this subsection (f) may be made  
12 only by a Taxpayer that (i) is primarily engaged in one of  
13 the following business activities: water purification and  
14 treatment, motor vehicle metal stamping, automobile  
15 manufacturing, automobile and light duty motor vehicle  
16 manufacturing, motor vehicle manufacturing, light truck  
17 and utility vehicle manufacturing, heavy duty truck  
18 manufacturing, motor vehicle body manufacturing, cable  
19 television infrastructure design or manufacturing, or  
20 wireless telecommunication or computing terminal device  
21 design or manufacturing for use on public networks and  
22 (ii) meets the following criteria:

23 (A) the Taxpayer (i) had an Illinois net loss or an  
24 Illinois net loss deduction under Section 207 of the  
25 Illinois Income Tax Act for the taxable year in which  
26 the Credit is awarded, (ii) employed a minimum of

1           1,000 full-time employees in this State during the  
2           taxable year in which the Credit is awarded, (iii) has  
3           an Agreement under this Act on December 14, 2009 (the  
4           effective date of Public Act 96-834), and (iv) is in  
5           compliance with all provisions of that Agreement;

6           (B) the Taxpayer (i) had an Illinois net loss or an  
7           Illinois net loss deduction under Section 207 of the  
8           Illinois Income Tax Act for the taxable year in which  
9           the Credit is awarded, (ii) employed a minimum of  
10          1,000 full-time employees in this State during the  
11          taxable year in which the Credit is awarded, and (iii)  
12          has applied for an Agreement within 365 days after  
13          December 14, 2009 (the effective date of Public Act  
14          96-834);

15          (C) the Taxpayer (i) had an Illinois net operating  
16          loss carryforward under Section 207 of the Illinois  
17          Income Tax Act in a taxable year ending during  
18          calendar year 2008, (ii) has applied for an Agreement  
19          within 150 days after the effective date of this  
20          amendatory Act of the 96th General Assembly, (iii)  
21          creates at least 400 new jobs in Illinois, (iv)  
22          retains at least 2,000 jobs in Illinois that would  
23          have been at risk of relocation out of Illinois over a  
24          10-year period, and (v) makes a capital investment of  
25          at least \$75,000,000;

26          (D) the Taxpayer (i) had an Illinois net operating

1           loss carryforward under Section 207 of the Illinois  
2           Income Tax Act in a taxable year ending during  
3           calendar year 2009, (ii) has applied for an Agreement  
4           within 150 days after the effective date of this  
5           amendatory Act of the 96th General Assembly, (iii)  
6           creates at least 150 new jobs, (iv) retains at least  
7           1,000 jobs in Illinois that would have been at risk of  
8           relocation out of Illinois over a 10-year period, and  
9           (v) makes a capital investment of at least  
10          \$57,000,000; or

11           (E) the Taxpayer (i) employed at least 2,500  
12          full-time employees in the State during the year in  
13          which the Credit is awarded, (ii) commits to make at  
14          least \$500,000,000 in combined capital improvements  
15          and project costs under the Agreement, (iii) applies  
16          for an Agreement between January 1, 2011 and June 30,  
17          2011, (iv) executes an Agreement for the Credit during  
18          calendar year 2011, and (v) was incorporated no more  
19          than 5 years before the filing of an application for an  
20          Agreement.

21          (1.5) The election under this subsection (f) may also  
22          be made by a Taxpayer for any Credit awarded pursuant to an  
23          agreement that was executed between January 1, 2011 and  
24          June 30, 2011, if the Taxpayer (i) is primarily engaged in  
25          the manufacture of inner tubes or tires, or both, from  
26          natural and synthetic rubber, (ii) employs a minimum of

1           2,400 full-time employees in Illinois at the time of  
2 application, (iii) creates at least 350 full-time jobs and  
3 retains at least 250 full-time jobs in Illinois that would  
4 have been at risk of being created or retained outside of  
5 Illinois, and (iv) makes a capital investment of at least  
6 \$200,000,000 at the project location.

7           (1.6) The election under this subsection (f) may also  
8 be made by a Taxpayer for any Credit awarded pursuant to an  
9 agreement that was executed within 150 days after the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly, if the Taxpayer (i) is primarily engaged in the  
12 operation of a discount department store, (ii) maintains  
13 its corporate headquarters in Illinois, (iii) employs a  
14 minimum of 4,250 full-time employees at its corporate  
15 headquarters in Illinois at the time of application, (iv)  
16 retains at least 4,250 full-time jobs in Illinois that  
17 would have been at risk of being relocated outside of  
18 Illinois, (v) had a minimum of \$40,000,000,000 in total  
19 revenue in 2010, and (vi) makes a capital investment of at  
20 least \$300,000,000 at the project location.

21           (1.7) Notwithstanding any other provision of law, the  
22 election under this subsection (f) may also be made by a  
23 Taxpayer for any Credit awarded pursuant to an agreement  
24 that was executed or applied for on or after July 1, 2011  
25 and on or before March 31, 2012, if the Taxpayer is  
26 primarily engaged in the manufacture of original and

1 aftermarket filtration parts and products for automobiles,  
2 motor vehicles, light duty motor vehicles, light trucks  
3 and utility vehicles, and heavy duty trucks, (ii) employs  
4 a minimum of 1,000 full-time employees in Illinois at the  
5 time of application, (iii) creates at least 250 full-time  
6 jobs in Illinois, (iv) relocates its corporate  
7 headquarters to Illinois from another state, and (v) makes  
8 a capital investment of at least \$4,000,000 at the project  
9 location.

10 (1.8) Notwithstanding any other provision of law, the  
11 election under this subsection (f) may also be made by a  
12 startup taxpayer for any Credit awarded pursuant to an  
13 Agreement that was executed or applied for on or after the  
14 effective date of this amendatory Act of the 102nd General  
15 Assembly, if the startup taxpayer, without considering any  
16 Related Member or other investor, (i) has never had any  
17 Illinois income tax liability and (ii) was incorporated no  
18 more than 5 years before the filing of an application for  
19 an Agreement. Any such election under this paragraph (1.8)  
20 shall be effective unless and until such startup taxpayer  
21 has any Illinois income tax liability. This election under  
22 this paragraph (1.8) shall automatically terminate when  
23 the startup taxpayer has any Illinois income tax liability  
24 at the end of any taxable year during the term of the  
25 Agreement. Thereafter, the startup taxpayer may receive a  
26 Credit, taking into account any benefits previously

1 enjoyed or received by way of the election under this  
2 paragraph (1.8), so long as the startup taxpayer remains  
3 in compliance with the terms and conditions of the  
4 Agreement.

5 (2) An election under this subsection shall allow the  
6 credit to be taken against payments otherwise due under  
7 Section 704A of the Illinois Income Tax Act during the  
8 first calendar year beginning after the end of the taxable  
9 year in which the credit is awarded under this Act.

10 (3) The election shall be made in the form and manner  
11 required by the Illinois Department of Revenue and, once  
12 made, shall be irrevocable.

13 (4) If a Taxpayer who meets the requirements of  
14 subparagraph (A) of paragraph (1) of this subsection (f)  
15 elects to claim the Credit against its withholdings as  
16 provided in this subsection (f), then, on and after the  
17 date of the election, the terms of the Agreement between  
18 the Taxpayer and the Department may not be further amended  
19 during the term of the Agreement.

20 (g) A pass-through entity that has been awarded a credit  
21 under this Act, its shareholders, or its partners may treat  
22 some or all of the credit awarded pursuant to this Act as a tax  
23 payment for purposes of the Illinois Income Tax Act. The term  
24 "tax payment" means a payment as described in Article 6 or  
25 Article 8 of the Illinois Income Tax Act or a composite payment  
26 made by a pass-through entity on behalf of any of its



1 shareholders or partners to satisfy such shareholders' or  
2 partners' taxes imposed pursuant to subsections (a) and (b) of  
3 Section 201 of the Illinois Income Tax Act. In no event shall  
4 the amount of the award credited pursuant to this Act exceed  
5 the Illinois income tax liability of the pass-through entity  
6 or its shareholders or partners for the taxable year.

7 (Source: P.A. 100-511, eff. 9-18-17.)

8 (35 ILCS 10/5-20)

9 Sec. 5-20. Application for a project to create and retain  
10 new jobs.

11 (a) Any Taxpayer proposing a project located or planned to  
12 be located in Illinois may request consideration for  
13 designation of its project, by formal written letter of  
14 request or by formal application to the Department, in which  
15 the Applicant states its intent to make at least a specified  
16 level of investment and intends to hire or retain a specified  
17 number of full-time employees at a designated location in  
18 Illinois. As circumstances require, the Department may require  
19 a formal application from an Applicant and a formal letter of  
20 request for assistance.

21 (b) In order to qualify for Credits under this Act, an  
22 Applicant's project must:

23 (1) if the Applicant has more than 100 employees,  
24 involve an investment of at least \$2,500,000 in capital  
25 improvements to be placed in service within the State as a

1 direct result of the project; if the Applicant has 100 or  
2 fewer employees, then there is no capital investment  
3 requirement;

4 (1.5) if the Applicant has more than 100 employees,  
5 employ a number of new employees in the State equal to the  
6 lesser of (A) 10% of the number of full-time employees  
7 employed by the applicant world-wide on the date the  
8 application is filed with the Department or (B) 50 New  
9 Employees; and, if the Applicant has 100 or fewer  
10 employees, employ a number of new employees in the State  
11 equal to the lesser of (A) 5% of the number of full-time  
12 employees employed by the applicant world-wide on the date  
13 the application is filed with the Department or (B) 50 New  
14 Employees;

15 (1.6) if the Applicant is a startup taxpayer, the  
16 employees employed by Related Members shall not be  
17 attributed to the Applicant for purposes of determining  
18 the capital investment or job creation requirements under  
19 this subsection (b);

20 (2) (blank);

21 (3) (blank); and

22 (4) include an annual sexual harassment policy report  
23 as provided under Section 5-58.

24 (c) After receipt of an application, the Department may  
25 enter into an Agreement with the Applicant if the application  
26 is accepted in accordance with Section 5-25.

1 (Source: P.A. 100-511, eff. 9-18-17; 100-698, eff. 1-1-19;  
2 101-81, eff. 7-12-19.)

3 (35 ILCS 10/5-77)

4 Sec. 5-77. Sunset of new Agreements. The Department shall  
5 not enter into any new Agreements under the provisions of  
6 Section 5-50 of this Act after June 30, 2027 ~~June 30, 2022~~.

7 (Source: P.A. 99-925, eff. 1-20-17; 100-511, eff. 9-18-17.)

8 Section 5-10. The River Edge Redevelopment Zone Act is  
9 amended by changing Section 10-3 as follows:

10 (65 ILCS 115/10-3)

11 Sec. 10-3. Definitions. As used in this Act:

12 "Department" means the Department of Commerce and Economic  
13 Opportunity.

14 "River Edge Redevelopment Zone" means an area of the State  
15 certified by the Department as a River Edge Redevelopment Zone  
16 pursuant to this Act.

17 "Designated zone organization" means an association or  
18 entity: (1) the members of which are substantially all  
19 residents of the River Edge Redevelopment Zone or of the  
20 municipality in which the River Edge Redevelopment Zone is  
21 located; (2) the board of directors of which is elected by the  
22 members of the organization; (3) that satisfies the criteria  
23 set forth in Section 501(c) (3) or 501(c) (4) of the Internal

1 Revenue Code; and (4) that exists primarily for the purpose of  
2 performing within the zone, for the benefit of the residents  
3 and businesses thereof, any of the functions set forth in  
4 Section 8 of this Act.

5 "Incremental income tax" means the total amount withheld  
6 during the taxable year from the compensation of River Edge  
7 Construction Jobs Employees.

8 "Agency" means: each officer, board, commission, and  
9 agency created by the Constitution, in the executive branch of  
10 State government, other than the State Board of Elections;  
11 each officer, department, board, commission, agency,  
12 institution, authority, university, and body politic and  
13 corporate of the State; each administrative unit or corporate  
14 outgrowth of the State government that is created by or  
15 pursuant to statute, other than units of local government and  
16 their officers, school districts, and boards of election  
17 commissioners; and each administrative unit or corporate  
18 outgrowth of the above and as may be created by executive order  
19 of the Governor. No entity is an "agency" for the purposes of  
20 this Act unless the entity is authorized by law to make rules  
21 or regulations.

22 "River Edge construction jobs credit" means an amount  
23 equal to 50% of the incremental income tax attributable to  
24 River Edge construction employees employed on a River Edge  
25 construction jobs project. However, the amount may equal 75%  
26 of the incremental income tax attributable to River Edge

1 construction employees employed on a River Edge construction  
2 jobs project located in an underserved area. The total  
3 aggregate amount of credits awarded under the Blue Collar Jobs  
4 Act (Article 20 of this amendatory Act of the 101st General  
5 Assembly) shall not exceed \$20,000,000 in any State fiscal  
6 year.

7 "River Edge construction jobs employee" means a laborer or  
8 worker who is employed by an Illinois contractor or  
9 subcontractor in the actual construction work on the site of a  
10 River Edge construction jobs project.

11 "River Edge construction jobs project" means building a  
12 structure or building, or making improvements of any kind to  
13 real property, in a River Edge Redevelopment Zone that is  
14 built or improved in the course of completing a qualified  
15 rehabilitation plan. "River Edge construction jobs project"  
16 does not include the routine operation, routine repair, or  
17 routine maintenance of existing structures, buildings, or real  
18 property.

19 "Rule" means each agency statement of general  
20 applicability that implements, applies, interprets, or  
21 prescribes law or policy, but does not include (i) statements  
22 concerning only the internal management of an agency and not  
23 affecting private rights or procedures available to persons or  
24 entities outside the agency, (ii) intra-agency memoranda, or  
25 (iii) the prescription of standardized forms.

26 Until July 1, 2022, "underserved ~~"Underserved~~ area" means

1 a geographic area that meets one or more of the following  
2 conditions:

3 (1) the area has a poverty rate of at least 20%  
4 according to the latest federal decennial census;

5 (2) 75% or more of the children in the area  
6 participate in the federal free lunch program according to  
7 reported statistics from the State Board of Education;

8 (3) at least 20% of the households in the area receive  
9 assistance under the Supplemental Nutrition Assistance  
10 Program (SNAP); or

11 (4) the area has an average unemployment rate, as  
12 determined by the Illinois Department of Employment  
13 Security, that is more than 120% of the national  
14 unemployment average, as determined by the U.S. Department  
15 of Labor, for a period of at least 2 consecutive calendar  
16 years preceding the date of the application.

17 Beginning July 1, 2022, "Underserved area" means a  
18 geographic area that meets one or more of the following  
19 conditions:

20 (1) the area has a poverty rate of at least 20%  
21 according to the latest American Community Survey;

22 (2) 35% or more of the families with children in the  
23 area are living below 130% of the poverty line, according  
24 to the latest American Community Survey;

25 (3) at least 20% of the households in the area receive  
26 assistance under the Supplemental Nutrition Assistance

1       Program (SNAP); or

2           (4) the area has an average unemployment rate, as  
3       determined by the Illinois Department of Employment  
4       Security, that is more than 120% of the national  
5       unemployment average, as determined by the U.S. Department  
6       of Labor, for a period of at least 2 consecutive calendar  
7       years preceding the date of the application.

8       (Source: P.A. 101-9, eff. 6-5-19.)

9                           ARTICLE 10. FILM PRODUCTION TAX CREDIT

10           Section 10-5. The Illinois Income Tax Act is amended by  
11       changing Section 213 as follows:

12           (35 ILCS 5/213)

13           Sec. 213. Film production services credit. For tax years  
14       beginning on or after January 1, 2004, a taxpayer who has been  
15       awarded a tax credit under the Film Production Services Tax  
16       Credit Act or under the Film Production Services Tax Credit  
17       Act of 2008 is entitled to a credit against the taxes imposed  
18       under subsections (a) and (b) of Section 201 of this Act in an  
19       amount determined by the Department of Commerce and Economic  
20       Opportunity under those Acts. If the taxpayer is a partnership  
21       or Subchapter S corporation, the credit is allowed to the  
22       partners or shareholders in accordance with the determination  
23       of income and distributive share of income under Sections 702

1 and 704 and Subchapter S of the Internal Revenue Code.

2 A transfer of this credit may be made by the taxpayer  
3 earning the credit within one year after the credit is awarded  
4 in accordance with rules adopted by the Department of Commerce  
5 and Economic Opportunity. Beginning July 1, 2023, if a credit  
6 is transferred under this Section by the taxpayer, then the  
7 transferor taxpayer shall pay to the Department of Commerce  
8 and Economic Opportunity, upon notification of a transfer, a  
9 fee equal to 2.5% of the transferred credit amount eligible  
10 for nonresident wages, as described in Section 10 of the Film  
11 Production Services Tax Credit Act of 2008, and an additional  
12 fee of 0.25% of the total amount of the transferred credit that  
13 is not calculated on nonresident wages, which shall be  
14 deposited into the Illinois Production Workforce Development  
15 Fund.

16 The Department, in cooperation with the Department of  
17 Commerce and Economic Opportunity, must prescribe rules to  
18 enforce and administer the provisions of this Section. This  
19 Section is exempt from the provisions of Section 250 of this  
20 Act.

21 The credit may not be carried back. If the amount of the  
22 credit exceeds the tax liability for the year, the excess may  
23 be carried forward and applied to the tax liability of the 5  
24 taxable years following the excess credit year. The credit  
25 shall be applied to the earliest year for which there is a tax  
26 liability. If there are credits from more than one tax year



1 that are available to offset a liability, the earlier credit  
2 shall be applied first. In no event shall a credit under this  
3 Section reduce the taxpayer's liability to less than zero.  
4 (Source: P.A. 94-171, eff. 7-11-05; 95-720, eff. 5-27-08.)

5 Section 10-10. The Film Production Services Tax Credit Act  
6 of 2008 is amended by changing Sections 10 and 42 and by adding  
7 Section 46 as follows:

8 (35 ILCS 16/10)

9 Sec. 10. Definitions. As used in this Act:

10 "Accredited production" means: (i) for productions  
11 commencing before May 1, 2006, a film, video, or television  
12 production that has been certified by the Department in which  
13 the aggregate Illinois labor expenditures included in the cost  
14 of the production, in the period that ends 12 months after the  
15 time principal filming or taping of the production began,  
16 exceed \$100,000 for productions of 30 minutes or longer, or  
17 \$50,000 for productions of less than 30 minutes; and (ii) for  
18 productions commencing on or after May 1, 2006, a film, video,  
19 or television production that has been certified by the  
20 Department in which the Illinois production spending included  
21 in the cost of production in the period that ends 12 months  
22 after the time principal filming or taping of the production  
23 began exceeds \$100,000 for productions of 30 minutes or longer  
24 or exceeds \$50,000 for productions of less than 30 minutes.

1 "Accredited production" does not include a production that:

2 (1) is news, current events, or public programming, or  
3 a program that includes weather or market reports;

4 (2) is a talk show;

5 (3) is a production in respect of a game,  
6 questionnaire, or contest;

7 (4) is a sports event or activity;

8 (5) is a gala presentation or awards show;

9 (6) is a finished production that solicits funds;

10 (7) is a production produced by a film production  
11 company if records, as required by 18 U.S.C. 2257, are to  
12 be maintained by that film production company with respect  
13 to any performer portrayed in that single media or  
14 multimedia program; or

15 (8) is a production produced primarily for industrial,  
16 corporate, or institutional purposes.

17 "Accredited animated production" means an accredited  
18 production in which movement and characters' performances are  
19 created using a frame-by-frame technique and a significant  
20 number of major characters are animated. Motion capture by  
21 itself is not an animation technique.

22 "Accredited production certificate" means a certificate  
23 issued by the Department certifying that the production is an  
24 accredited production that meets the guidelines of this Act.

25 "Applicant" means a taxpayer that is a film production  
26 company that is operating or has operated an accredited

1 production located within the State of Illinois and that (i)  
2 owns the copyright in the accredited production throughout the  
3 Illinois production period or (ii) has contracted directly  
4 with the owner of the copyright in the accredited production  
5 or a person acting on behalf of the owner to provide services  
6 for the production, where the owner of the copyright is not an  
7 eligible production corporation.

8 "Credit" means:

9 (1) for an accredited production approved by the  
10 Department on or before January 1, 2005 and commencing  
11 before May 1, 2006, the amount equal to 25% of the Illinois  
12 labor expenditure approved by the Department. The  
13 applicant is deemed to have paid, on its balance due day  
14 for the year, an amount equal to 25% of its qualified  
15 Illinois labor expenditure for the tax year. For Illinois  
16 labor expenditures generated by the employment of  
17 residents of geographic areas of high poverty or high  
18 unemployment, as determined by the Department, in an  
19 accredited production commencing before May 1, 2006 and  
20 approved by the Department after January 1, 2005, the  
21 applicant shall receive an enhanced credit of 10% in  
22 addition to the 25% credit; and

23 (2) for an accredited production commencing on or  
24 after May 1, 2006, the amount equal to:

25 (i) 20% of the Illinois production spending for  
26 the taxable year; plus

1           (ii) 15% of the Illinois labor expenditures  
2           generated by the employment of residents of geographic  
3           areas of high poverty or high unemployment, as  
4           determined by the Department; and

5           (3) for an accredited production commencing on or  
6           after January 1, 2009, the amount equal to:

7           (i) 30% of the Illinois production spending for  
8           the taxable year; plus

9           (ii) 15% of the Illinois labor expenditures  
10          generated by the employment of residents of geographic  
11          areas of high poverty or high unemployment, as  
12          determined by the Department.

13          "Department" means the Department of Commerce and Economic  
14          Opportunity.

15          "Director" means the Director of Commerce and Economic  
16          Opportunity.

17          "Illinois labor expenditure" means salary or wages paid to  
18          employees of the applicant for services on the accredited  
19          production.

20          To qualify as an Illinois labor expenditure, the  
21          expenditure must be:

22               (1) Reasonable in the circumstances.

23               (2) Included in the federal income tax basis of the  
24               property.

25               (3) Incurred by the applicant for services on or after  
26               January 1, 2004.

1 (4) Incurred for the production stages of the  
2 accredited production, from the final script stage to the  
3 end of the post-production stage.

4 (5) Limited to the first \$25,000 of wages paid or  
5 incurred to each employee of a production commencing  
6 before May 1, 2006 and the first \$100,000 of wages paid or  
7 incurred to each employee of a production commencing on or  
8 after May 1, 2006 and prior to July 1, 2022. For  
9 productions commencing on or after July 1, 2022, limited  
10 to the first \$500,000 of wages paid or incurred to each  
11 nonresident or resident employee of a production company  
12 or loan out company that provides in-State services to a  
13 production, whether those wages are paid or incurred by  
14 the production company, loan out company, or both, subject  
15 to withholding payments provided for in Article 7 of the  
16 Illinois Income Tax Act. For purposes of calculating  
17 Illinois labor expenditures for a television series, the  
18 nonresident wage limitations provided under this  
19 subparagraph are applied to the entire season.

20 (6) For a production commencing before May 1, 2006,  
21 exclusive of the salary or wages paid to or incurred for  
22 the 2 highest paid employees of the production.

23 (7) Directly attributable to the accredited  
24 production.

25 (8) (Blank).

26 (9) Prior to July 1, 2022, paid ~~paid~~ to persons

1 resident in Illinois at the time the payments were made.  
2 For a production commencing on or after July 1, 2022, paid  
3 to persons resident in Illinois and nonresidents at the  
4 time the payments were made. For purposes of this  
5 subparagraph, only wages paid to nonresidents working in  
6 the following positions shall be considered Illinois labor  
7 expenditures: Writer, Director, Director of Photography,  
8 Production Designer, Costume Designer, Production  
9 Accountant, VFX Supervisor, Editor, Composer, and Actor,  
10 subject to the limitations set forth under this  
11 subparagraph. For an accredited Illinois production  
12 spending of \$25,000,000 or less, no more than 2  
13 nonresident actors' wages shall qualify as an Illinois  
14 labor expenditure. For an accredited production with  
15 Illinois production spending of more than \$25,000,000, no  
16 more than 4 nonresident actor's wages shall qualify as  
17 Illinois labor expenditures.

18 (10) Paid for services rendered in Illinois.

19 "Illinois production spending" means the expenses incurred  
20 by the applicant for an accredited production, including,  
21 without limitation, all of the following:

22 (1) expenses to purchase, from vendors within  
23 Illinois, tangible personal property that is used in the  
24 accredited production;

25 (2) expenses to acquire services, from vendors in  
26 Illinois, for film production, editing, or processing; and

1           (3) for a production commencing before July 1, 2022,  
2           the compensation, not to exceed \$100,000 for any one  
3           employee, for contractual or salaried employees who are  
4           Illinois residents performing services with respect to the  
5           accredited production. For a production commencing on or  
6           after July 1, 2022, the compensation, not to exceed  
7           \$500,000 for any one employee, for contractual or salaried  
8           employees who are Illinois residents or nonresident  
9           employees, subject to the limitations set forth under  
10          Section 10 of this Act.

11          "Loan out company" means a personal service corporation or  
12          other entity that is under contract with the taxpayer to  
13          provide specified individual personnel, such as artists, crew,  
14          actors, producers, or directors for the performance of  
15          services used directly in a production. "Loan out company"  
16          does not include entities contracted with by the taxpayer to  
17          provide goods or ancillary contractor services such as  
18          catering, construction, trailers, equipment, or  
19          transportation.

20          "Qualified production facility" means stage facilities in  
21          the State in which television shows and films are or are  
22          intended to be regularly produced and that contain at least  
23          one sound stage of at least 15,000 square feet.

24          Rulemaking authority to implement Public Act 95-1006, if  
25          any, is conditioned on the rules being adopted in accordance  
26          with all provisions of the Illinois Administrative Procedure

1 Act and all rules and procedures of the Joint Committee on  
2 Administrative Rules; any purported rule not so adopted, for  
3 whatever reason, is unauthorized.

4 (Source: P.A. 102-558, eff. 8-20-21.)

5 (35 ILCS 16/42)

6 Sec. 42. Sunset of credits. The application of credits  
7 awarded pursuant to this Act shall be limited by a reasonable  
8 and appropriate sunset date. A taxpayer shall not be awarded  
9 any new credits ~~entitled to take a credit awarded~~ pursuant to  
10 this Act for tax years beginning on or after January 1, 2027.

11 (Source: P.A. 101-178, eff. 8-1-19.)

12 (35 ILCS 16/46 new)

13 Sec. 46. Illinois Production Workforce Development Fund.

14 (a) The Illinois Production Workforce Development Fund is  
15 created as a special fund in the State Treasury. Beginning  
16 July 1, 2022, amounts paid to the Department of Commerce and  
17 Economic Opportunity pursuant to Section 213 of the Illinois  
18 Income Tax Act shall be deposited into the Fund. The Fund shall  
19 be used exclusively to provide grants to community-based  
20 organizations, labor organizations, private and public  
21 universities, community colleges, and other organizations and  
22 institutions that may be deemed appropriate by the Department  
23 to administer workforce training programs that support efforts  
24 to recruit, hire, promote, retain, develop, and train a



1 diverse and inclusive workforce in the film industry.

2 (b) Pursuant to Section 213 of the Illinois Income Tax  
3 Act, the Fund shall receive deposits in amounts not to exceed  
4 0.25% of the amount of each credit certificate issued that is  
5 not calculated on out-of-state wages and transferred or  
6 claimed on an Illinois tax return in the quarter such credit  
7 was transferred or claimed. In addition, such amount shall  
8 also include 2.5% of the credit amount calculated on wages  
9 paid to nonresidents that is transferred or claimed on an  
10 Illinois tax return in the quarter such credit was transferred  
11 or claimed.

12 (c) At the request of the Department, the State  
13 Comptroller and the State Treasurer may advance amounts to the  
14 Fund on an annual basis not to exceed \$1,000,000 in any fiscal  
15 year. The fund from which the moneys are advanced shall be  
16 reimbursed in the same fiscal year for any such advance  
17 payments as described in this Section. The method of  
18 reimbursement shall be set forth in rules.

19 (d) Of the appropriated funds in a given fiscal year, 50%  
20 of the appropriated funds shall be reserved for organizations  
21 that meet one of the following criteria. The organization is:  
22 (1) a minority-owned business, as defined by the Business  
23 Enterprise for Minorities, Women, and Persons with  
24 Disabilities Act; (2) located in an underserved area, as  
25 defined by the Economic Development for a Growing Economy Tax  
26 Credit Act; or (3) on an annual basis, training a cohort of

1 program participants where at least 50% of the program  
2 participants are either a minority person, as defined by the  
3 Business Enterprise for Minorities, Women, and Persons with  
4 Disabilities Act, or reside in an underserved area, as defined  
5 by the Economic Development for a Growing Economy Tax Credit  
6 Act.

7 (e) The Illinois Production Workforce Development Fund  
8 shall be administered by the Department. The Department may  
9 adopt rules necessary to administer the provisions of this  
10 Section.

11 (f) Notwithstanding any other law to the contrary, the  
12 Illinois Production Workforce Development Fund is not subject  
13 to sweeps, administrative charge-backs, or any other fiscal or  
14 budgetary maneuver that would in any way transfer any amounts  
15 from the Illinois Production Workforce Development Fund.

16 (g) By June 30 of each fiscal year, the Department must  
17 submit to the General Assembly a report that includes the  
18 following information: (1) an identification of the  
19 organizations and institutions that received funding to  
20 administer workforce training programs during the fiscal year;  
21 (2) the number of total persons trained and the number of  
22 persons trained per workforce training program in the fiscal  
23 year; and (3) in the aggregate, per organization, the number  
24 of persons identified as a minority person or that reside in an  
25 underserved area that received training in the fiscal year.

1 Section 10-90. The State Finance Act is amended by adding  
2 Section 5.970 as follows:

3 (30 ILCS 105/5.970 new)

4 Sec. 5.970. The Illinois Production Workforce Development  
5 Fund.

6 ARTICLE 15. LIVE THEATER TAX CREDIT

7 Section 15-5. The Live Theater Production Tax Credit Act  
8 is amended by changing Section 10-20 as follows:

9 (35 ILCS 17/10-20)

10 Sec. 10-20. Tax credit award. Subject to the conditions  
11 set forth in this Act, an applicant is entitled to a tax credit  
12 award as approved by the Department for qualifying Illinois  
13 labor expenditures and Illinois production spending for each  
14 tax year in which the applicant is awarded an accredited  
15 theater production certificate issued by the Department. The  
16 amount of tax credits awarded pursuant to this Act shall not  
17 exceed \$2,000,000 for State fiscal years ending on or before  
18 June 30, 2022 and ending on or after June 30, 2024. Due to the  
19 impact of the COVID-19 pandemic, for the State fiscal year  
20 ending on June 30, 2023, the amount of tax credits awarded  
21 pursuant to this Act shall not exceed \$4,000,000. For the  
22 State fiscal year ending on June 30, 2023, credits awarded

1 under this Act in excess of \$2,000,000 must be awarded to  
2 applicants with Illinois production spending of not less than  
3 \$2,500,000, as shown on the applicant's application for the  
4 credit. ~~in any fiscal year.~~ Credits shall be awarded on a  
5 first-come, first-served basis. Notwithstanding the foregoing,  
6 if the amount of credits applied for in any fiscal year exceeds  
7 the amount authorized to be awarded under this Section, the  
8 excess credit amount shall be awarded in the next fiscal year  
9 in which credits remain available for award and shall be  
10 treated as having been applied for on the first day of that  
11 fiscal year.

12 (Source: P.A. 97-636, eff. 6-1-12.)

13 ARTICLE 20. BIODIESEL

14 Section 20-5. The Use Tax Act is amended by changing  
15 Sections 3-10 and 3-41 and by adding Sections 3-5.1 and 3-42.5  
16 as follows:

17 (35 ILCS 105/3-5.1 new)

18 Sec. 3-5.1. Biodiesel, renewable diesel, and biodiesel  
19 blends.

20 (a) On and after January 1, 2024 and on or before December  
21 31, 2030, the taxes imposed by this Act, the Service Use Tax  
22 Act, the Service Occupation Tax Act, or the Retailers'  
23 Occupation Tax Act apply to 100% of the proceeds of sales of

1 (i) biodiesel blends with no less than 1% and no more than 10%  
2 of biodiesel and (ii) any diesel fuel containing no less than  
3 1% and no more than 10% of renewable diesel.

4 (b) From January 1, 2024 through March 31, 2024, the taxes  
5 imposed by this Act, the Service Use Tax Act, the Service  
6 Occupation Tax Act, or the Retailers' Occupation Tax Act do  
7 not apply to the proceeds of sales of any diesel fuel  
8 containing more than 10% biodiesel or renewable diesel.

9 (c) From April 1, 2024 through November 30, 2024, the  
10 taxes imposed by this Act, the Service Use Tax Act, the Service  
11 Occupation Tax Act, or the Retailers' Occupation Tax Act do  
12 not apply to the proceeds of sales of any diesel fuel  
13 containing more than 13% biodiesel or renewable diesel.

14 (d) From December 1, 2024 through March 31, 2025, the  
15 taxes imposed by this Act, the Service Use Tax Act, the Service  
16 Occupation Tax Act, or the Retailers' Occupation Tax Act do  
17 not apply to the proceeds of sales of any diesel fuel  
18 containing more than 10% biodiesel or renewable diesel.

19 (e) From April 1, 2025 through November 30, 2025, the  
20 taxes imposed by this Act, the Service Use Tax Act, the Service  
21 Occupation Tax Act, or the Retailers' Occupation Tax Act do  
22 not apply to the proceeds of sales of any diesel fuel  
23 containing more than 16% biodiesel or renewable diesel.

24 (f) From December 1, 2025 through March 31, 2026, the  
25 taxes imposed by this Act, the Service Use Tax Act, the Service  
26 Occupation Tax Act, or the Retailers' Occupation Tax Act do

1 not apply to the proceeds of sales of any diesel fuel  
2 containing more than 10% biodiesel or renewable diesel.

3 (g) On and after April 1, 2026 and on or before November  
4 30, 2030, the taxes imposed by this Act, the Service Use Tax  
5 Act, the Service Occupation Tax Act, or the Retailers'  
6 Occupation Tax Act do not apply to the proceeds of sales of any  
7 diesel fuel containing more than 19% biodiesel or renewable  
8 diesel; except that, from December 1 of calendar years 2026,  
9 2027, 2028, and 2029 through March 31 of the following  
10 calendar year, and from December 1, 2030 through December 31,  
11 2030, the taxes imposed by this Act, the Service Use Tax Act,  
12 the Service Occupation Tax Act, or the Retailers' Occupation  
13 Tax Act do not apply to the proceeds of sales of any diesel  
14 fuel containing more than 10% biodiesel or renewable diesel.

15 (h) This Section is exempt from the provisions of Section  
16 3-90 of this Act, Section 3-75 of the Service Use Tax Act,  
17 Section 3-55 of the Service Occupation Tax Act, and Section  
18 2-70 of the Retailers' Occupation Tax Act.

19 (35 ILCS 105/3-10)

20 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
21 Section, the tax imposed by this Act is at the rate of 6.25% of  
22 either the selling price or the fair market value, if any, of  
23 the tangible personal property. In all cases where property  
24 functionally used or consumed is the same as the property that  
25 was purchased at retail, then the tax is imposed on the selling

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

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

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

23 With respect to gasohol, the tax imposed by this Act  
24 applies to (i) 70% of the proceeds of sales made on or after  
25 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
26 proceeds of sales made on or after July 1, 2003 and on or

1 before July 1, 2017, and (iii) 100% of the proceeds of sales  
2 made thereafter. If, at any time, however, the tax under this  
3 Act on sales of gasohol is imposed at the rate of 1.25%, then  
4 the tax imposed by this Act applies to 100% of the proceeds of  
5 sales of gasohol made during that time.

6 With respect to majority blended ethanol fuel, the tax  
7 imposed by this Act does not apply to the proceeds of sales  
8 made on or after July 1, 2003 and on or before December 31,  
9 2023 but applies to 100% of the proceeds of sales made  
10 thereafter.

11 With respect to biodiesel blends with no less than 1% and  
12 no more than 10% biodiesel, the tax imposed by this Act applies  
13 to (i) 80% of the proceeds of sales made on or after July 1,  
14 2003 and on or before December 31, 2018 and (ii) 100% of the  
15 proceeds of sales made after December 31, 2018 and before  
16 January 1, 2024. On and after January 1, 2024 and on or before  
17 December 31, 2030, the taxation of biodiesel, renewable  
18 diesel, and biodiesel blends shall be as provided in Section  
19 3-5.1 ~~thereafter~~. If, at any time, however, the tax under this  
20 Act on sales of biodiesel blends with no less than 1% and no  
21 more than 10% biodiesel is imposed at the rate of 1.25%, then  
22 the tax imposed by this Act applies to 100% of the proceeds of  
23 sales of biodiesel blends with no less than 1% and no more than  
24 10% biodiesel made during that time.

25 With respect to ~~100%~~ biodiesel and biodiesel blends with  
26 more than 10% but no more than 99% biodiesel, the tax imposed



1 by this Act does not apply to the proceeds of sales made on or  
2 after July 1, 2003 and on or before December 31, 2023 ~~but~~  
3 ~~applies to 100% of the proceeds of sales made thereafter.~~ On  
4 and after January 1, 2024 and on or before December 31, 2030,  
5 the taxation of biodiesel, renewable diesel, and biodiesel  
6 blends shall be as provided in Section 3-5.1.

7 With respect to food for human consumption that is to be  
8 consumed off the premises where it is sold (other than  
9 alcoholic beverages, food consisting of or infused with adult  
10 use cannabis, soft drinks, and food that has been prepared for  
11 immediate consumption) and prescription and nonprescription  
12 medicines, drugs, medical appliances, products classified as  
13 Class III medical devices by the United States Food and Drug  
14 Administration that are used for cancer treatment pursuant to  
15 a prescription, as well as any accessories and components  
16 related to those devices, modifications to a motor vehicle for  
17 the purpose of rendering it usable by a person with a  
18 disability, and insulin, blood sugar testing materials,  
19 syringes, and needles used by human diabetics, the tax is  
20 imposed at the rate of 1%. For the purposes of this Section,  
21 until September 1, 2009: the term "soft drinks" means any  
22 complete, finished, ready-to-use, non-alcoholic drink, whether  
23 carbonated or not, including but not limited to soda water,  
24 cola, fruit juice, vegetable juice, carbonated water, and all  
25 other preparations commonly known as soft drinks of whatever  
26 kind or description that are contained in any closed or sealed

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

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

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

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "food for human consumption that  
26 is to be consumed off the premises where it is sold" does not

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

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

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

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

24 Beginning on the effective date of this amendatory Act of  
25 the 98th General Assembly, "prescription and nonprescription  
26 medicines and drugs" includes medical cannabis purchased from

1 a registered dispensing organization under the Compassionate  
2 Use of Medical Cannabis Program Act.

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

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

15 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
16 102-4, eff. 4-27-21.)

17 (35 ILCS 105/3-41)

18 Sec. 3-41. Biodiesel. "Biodiesel" means a ~~renewable~~ diesel  
19 fuel that is not a hydrocarbon fuel and that is derived from  
20 biomass that is intended for use in diesel engines.

21 (Source: P.A. 93-17, eff. 6-11-03.)

22 (35 ILCS 105/3-42.5 new)

23 Sec. 3-42.5. Renewable diesel. "Renewable diesel" means a  
24 diesel fuel that is a hydrocarbon fuel derived from biomass

1 meeting the requirements of the latest version of ASTM  
2 standards D975 or D396. Fuels that have been co-processed are  
3 not considered renewable diesel.

4 Section 20-10. The Service Use Tax Act is amended by  
5 changing Section 3-10 as follows:

6 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
8 Section, the tax imposed by this Act is at the rate of 6.25% of  
9 the selling price of tangible personal property transferred as  
10 an incident to the sale of service, but, for the purpose of  
11 computing this tax, in no event shall the selling price be less  
12 than the cost price of the property to the serviceman.

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

17 With respect to gasohol, as defined in the Use Tax Act, the  
18 tax imposed by this Act applies to (i) 70% of the selling price  
19 of property transferred as an incident to the sale of service  
20 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
21 of the selling price of property transferred as an incident to  
22 the sale of service on or after July 1, 2003 and on or before  
23 July 1, 2017, and (iii) 100% of the selling price thereafter.  
24 If, at any time, however, the tax under this Act on sales of

1 gasohol, as defined in the Use Tax Act, is imposed at the rate  
2 of 1.25%, then the tax imposed by this Act applies to 100% of  
3 the proceeds of sales of gasohol made during that time.

4 With respect to majority blended ethanol fuel, as defined  
5 in the Use Tax Act, the tax imposed by this Act does not apply  
6 to the selling price of property transferred as an incident to  
7 the sale of service on or after July 1, 2003 and on or before  
8 December 31, 2023 but applies to 100% of the selling price  
9 thereafter.

10 With respect to biodiesel blends, as defined in the Use  
11 Tax Act, with no less than 1% and no more than 10% biodiesel,  
12 the tax imposed by this Act applies to (i) 80% of the selling  
13 price of property transferred as an incident to the sale of  
14 service on or after July 1, 2003 and on or before December 31,  
15 2018 and (ii) 100% of the proceeds of the selling price after  
16 December 31, 2018 and before January 1, 2024. On and after  
17 January 1, 2024 and on or before December 31, 2030, the  
18 taxation of biodiesel, renewable diesel, and biodiesel blends  
19 shall be as provided in Section 3-5.1 of the Use Tax  
20 Act ~~thereafter~~. If, at any time, however, the tax under this  
21 Act on sales of biodiesel blends, as defined in the Use Tax  
22 Act, with no less than 1% and no more than 10% biodiesel is  
23 imposed at the rate of 1.25%, then the tax imposed by this Act  
24 applies to 100% of the proceeds of sales of biodiesel blends  
25 with no less than 1% and no more than 10% biodiesel made during  
26 that time.

1           With respect to ~~100%~~ biodiesel, as defined in the Use Tax  
2 Act, and biodiesel blends, as defined in the Use Tax Act, with  
3 more than 10% but no more than 99% biodiesel, the tax imposed  
4 by this Act does not apply to the proceeds of the selling price  
5 of property transferred as an incident to the sale of service  
6 on or after July 1, 2003 and on or before December 31, 2023 ~~but~~  
7 ~~applies to 100% of the selling price thereafter.~~ On and after  
8 January 1, 2024 and on or before December 31, 2030, the  
9 taxation of biodiesel, renewable diesel, and biodiesel blends  
10 shall be as provided in Section 3-5.1 of the Use Tax Act.

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

21           The tax shall be imposed at the rate of 1% on food prepared  
22 for immediate consumption and transferred incident to a sale  
23 of service subject to this Act or the Service Occupation Tax  
24 Act by an entity licensed under the Hospital Licensing Act,  
25 the Nursing Home Care Act, the Assisted Living and Shared  
26 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the

1 Specialized Mental Health Rehabilitation Act of 2013, or the  
2 Child Care Act of 1969, or an entity that holds a permit issued  
3 pursuant to the Life Care Facilities Act. The tax shall also be  
4 imposed at the rate of 1% on food for human consumption that is  
5 to be consumed off the premises where it is sold (other than  
6 alcoholic beverages, food consisting of or infused with adult  
7 use cannabis, soft drinks, and food that has been prepared for  
8 immediate consumption and is not otherwise included in this  
9 paragraph) and prescription and nonprescription medicines,  
10 drugs, medical appliances, products classified as Class III  
11 medical devices by the United States Food and Drug  
12 Administration that are used for cancer treatment pursuant to  
13 a prescription, as well as any accessories and components  
14 related to those devices, modifications to a motor vehicle for  
15 the purpose of rendering it usable by a person with a  
16 disability, and insulin, blood sugar testing materials,  
17 syringes, and needles used by human diabetics. For the  
18 purposes of this Section, until September 1, 2009: the term  
19 "soft drinks" means any complete, finished, ready-to-use,  
20 non-alcoholic drink, whether carbonated or not, including but  
21 not limited to soda water, cola, fruit juice, vegetable juice,  
22 carbonated water, and all other preparations commonly known as  
23 soft drinks of whatever kind or description that are contained  
24 in any closed or sealed bottle, can, carton, or container,  
25 regardless of size; but "soft drinks" does not include coffee,  
26 tea, non-carbonated water, infant formula, milk or milk



1 products as defined in the Grade A Pasteurized Milk and Milk  
2 Products Act, or drinks containing 50% or more natural fruit  
3 or vegetable juice.

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

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

22 Notwithstanding any other provisions of this Act,  
23 beginning September 1, 2009, "food for human consumption that  
24 is to be consumed off the premises where it is sold" does not  
25 include candy. For purposes of this Section, "candy" means a  
26 preparation of sugar, honey, or other natural or artificial

1 sweeteners in combination with chocolate, fruits, nuts or  
2 other ingredients or flavorings in the form of bars, drops, or  
3 pieces. "Candy" does not include any preparation that contains  
4 flour or requires refrigeration.

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

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

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

22 Beginning on January 1, 2014 (the effective date of Public  
23 Act 98-122), "prescription and nonprescription medicines and  
24 drugs" includes medical cannabis purchased from a registered  
25 dispensing organization under the Compassionate Use of Medical  
26 Cannabis Program Act.

1           As used in this Section, "adult use cannabis" means  
2 cannabis subject to tax under the Cannabis Cultivation  
3 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
4 and does not include cannabis subject to tax under the  
5 Compassionate Use of Medical Cannabis Program Act.

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

13           (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
14 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

15           Section 20-15. The Service Occupation Tax Act is amended  
16 by changing Section 3-10 as follows:

17           (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

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

16 With respect to gasohol, as defined in the Use Tax Act, the  
17 tax imposed by this Act shall apply to (i) 70% of the cost  
18 price of property transferred as an incident to the sale of  
19 service on or after January 1, 1990, and before July 1, 2003,  
20 (ii) 80% of the selling price of property transferred as an  
21 incident to the sale of service on or after July 1, 2003 and on  
22 or before July 1, 2017, and (iii) 100% of the cost price  
23 thereafter. If, at any time, however, the tax under this Act on  
24 sales of gasohol, as defined in the Use Tax Act, is imposed at  
25 the rate of 1.25%, then the tax imposed by this Act applies to  
26 100% of the proceeds of sales of gasohol made during that time.

1 With respect to majority blended ethanol fuel, as defined  
2 in the Use Tax Act, the tax imposed by this Act does not apply  
3 to the selling price of property transferred as an incident to  
4 the sale of service on or after July 1, 2003 and on or before  
5 December 31, 2023 but applies to 100% of the selling price  
6 thereafter.

7 With respect to biodiesel blends, as defined in the Use  
8 Tax Act, with no less than 1% and no more than 10% biodiesel,  
9 the tax imposed by this Act applies to (i) 80% of the selling  
10 price of property transferred as an incident to the sale of  
11 service on or after July 1, 2003 and on or before December 31,  
12 2018 and (ii) 100% of the proceeds of the selling price after  
13 December 31, 2018 and before January 1, 2024. On and after  
14 January 1, 2024 and on or before December 31, 2030, the  
15 taxation of biodiesel, renewable diesel, and biodiesel blends  
16 shall be as provided in Section 3-5.1 of the Use Tax  
17 Act thereafter. If, at any time, however, the tax under this  
18 Act on sales of biodiesel blends, as defined in the Use Tax  
19 Act, with no less than 1% and no more than 10% biodiesel is  
20 imposed at the rate of 1.25%, then the tax imposed by this Act  
21 applies to 100% of the proceeds of sales of biodiesel blends  
22 with no less than 1% and no more than 10% biodiesel made during  
23 that time.

24 With respect to ~~100%~~ biodiesel, as defined in the Use Tax  
25 Act, and biodiesel blends, as defined in the Use Tax Act, with  
26 more than 10% but no more than 99% biodiesel material, the tax

1 imposed by this Act does not apply to the proceeds of the  
2 selling price of property transferred as an incident to the  
3 sale of service on or after July 1, 2003 and on or before  
4 December 31, 2023 ~~but applies to 100% of the selling price~~  
5 ~~thereafter.~~ On and after January 1, 2024 and on or before  
6 December 31, 2030, the taxation of biodiesel, renewable  
7 diesel, and biodiesel blends shall be as provided in Section  
8 3-5.1 of the Use Tax Act.

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

19 The tax shall be imposed at the rate of 1% on food prepared  
20 for immediate consumption and transferred incident to a sale  
21 of service subject to this Act or the Service Occupation Tax  
22 Act by an entity licensed under the Hospital Licensing Act,  
23 the Nursing Home Care Act, the Assisted Living and Shared  
24 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the  
25 Specialized Mental Health Rehabilitation Act of 2013, or the  
26 Child Care Act of 1969, or an entity that holds a permit issued

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

1 juice.

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

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

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



1 pieces. "Candy" does not include any preparation that contains  
2 flour or requires refrigeration.

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

- 16 (A) A "Drug Facts" panel; or  
17 (B) A statement of the "active ingredient(s)" with a  
18 list of those ingredients contained in the compound,  
19 substance or preparation.

20 Beginning on January 1, 2014 (the effective date of Public  
21 Act 98-122), "prescription and nonprescription medicines and  
22 drugs" includes medical cannabis purchased from a registered  
23 dispensing organization under the Compassionate Use of Medical  
24 Cannabis Program Act.

25 As used in this Section, "adult use cannabis" means  
26 cannabis subject to tax under the Cannabis Cultivation

1 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
2 and does not include cannabis subject to tax under the  
3 Compassionate Use of Medical Cannabis Program Act.

4 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
5 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

6 Section 20-20. The Retailers' Occupation Tax Act is  
7 amended by changing Section 2-10 as follows:

8 (35 ILCS 120/2-10)

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

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

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

20 Within 14 days after the effective date of this amendatory  
21 Act of the 91st General Assembly, each retailer of motor fuel  
22 and gasohol shall cause the following notice to be posted in a  
23 prominently visible place on each retail dispensing device  
24 that is used to dispense motor fuel or gasohol in the State of

1 Illinois: "As of July 1, 2000, the State of Illinois has  
2 eliminated the State's share of sales tax on motor fuel and  
3 gasohol through December 31, 2000. The price on this pump  
4 should reflect the elimination of the tax." The notice shall  
5 be printed in bold print on a sign that is no smaller than 4  
6 inches by 8 inches. The sign shall be clearly visible to  
7 customers. Any retailer who fails to post or maintain a  
8 required sign through December 31, 2000 is guilty of a petty  
9 offense for which the fine shall be \$500 per day per each  
10 retail premises where a violation occurs.

11 With respect to gasohol, as defined in the Use Tax Act, the  
12 tax imposed by this Act applies to (i) 70% of the proceeds of  
13 sales made on or after January 1, 1990, and before July 1,  
14 2003, (ii) 80% of the proceeds of sales made on or after July  
15 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
16 proceeds of sales made thereafter. If, at any time, however,  
17 the tax under this Act on sales of gasohol, as defined in the  
18 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
19 imposed by this Act applies to 100% of the proceeds of sales of  
20 gasohol made during that time.

21 With respect to majority blended ethanol fuel, as defined  
22 in the Use Tax Act, the tax imposed by this Act does not apply  
23 to the proceeds of sales made on or after July 1, 2003 and on  
24 or before December 31, 2023 but applies to 100% of the proceeds  
25 of sales made thereafter.

26 With respect to biodiesel blends, as defined in the Use

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

15 With respect to ~~100%~~ biodiesel, as defined in the Use Tax  
16 Act, and biodiesel blends, as defined in the Use Tax Act, with  
17 more than 10% but no more than 99% biodiesel, the tax imposed  
18 by this Act does not apply to the proceeds of sales made on or  
19 after July 1, 2003 and on or before December 31, 2023 ~~but~~  
20 ~~applies to 100% of the proceeds of sales made thereafter.~~ On  
21 and after January 1, 2024 and on or before December 31, 2030,  
22 the taxation of biodiesel, renewable diesel, and biodiesel  
23 blends shall be as provided in Section 3-5.1 of the Use Tax  
24 Act.

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

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "soft drinks" means non-alcoholic  
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk  
2 products, soy, rice or similar milk substitutes, or greater  
3 than 50% of vegetable or fruit juice by volume.

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

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

25 Notwithstanding any other provisions of this Act,  
26 beginning September 1, 2009, "nonprescription medicines and

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

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

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

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

21 As used in this Section, "adult use cannabis" means  
22 cannabis subject to tax under the Cannabis Cultivation  
23 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
24 and does not include cannabis subject to tax under the  
25 Compassionate Use of Medical Cannabis Program Act.

26 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;

1 102-4, eff. 4-27-21.)

2 Section 20-25. The Motor Fuel Tax Law is amended by adding  
3 Section 3d as follows:

4 (35 ILCS 505/3d new)

5 Sec. 3d. Right to blend.

6 (a) A distributor who is properly licensed and permitted  
7 as a blender pursuant to this Act may blend petroleum-based  
8 diesel fuel with biodiesel and sell the blended or unblended  
9 product on any premises owned and operated by the distributor  
10 for the purpose of supporting or facilitating the retail sale  
11 of motor fuel.

12 (b) A refiner or supplier of petroleum-based diesel fuel  
13 or biodiesel shall not refuse to sell or transport to a  
14 distributor who is properly licensed and permitted as a  
15 blender pursuant to this Act any petroleum-based diesel fuel  
16 or biodiesel based on the distributor's or dealer's intent to  
17 use that product for blending.

18 ARTICLE 25. HOSPITALS

19 Section 25-5. The Illinois Income Tax Act is amended by  
20 changing Section 223 as follows:

21 (35 ILCS 5/223)



1           Sec. 223. Hospital credit.

2           (a) For tax years ending on or after December 31, 2012 and  
3 ending on or before December 31, 2027 ~~December 31, 2022~~, a  
4 taxpayer that is the owner of a hospital licensed under the  
5 Hospital Licensing Act, but not including an organization that  
6 is exempt from federal income taxes under the Internal Revenue  
7 Code, is entitled to a credit against the taxes imposed under  
8 subsections (a) and (b) of Section 201 of this Act in an amount  
9 equal to the lesser of the amount of real property taxes paid  
10 during the tax year on real property used for hospital  
11 purposes during the prior tax year or the cost of free or  
12 discounted services provided during the tax year pursuant to  
13 the hospital's charitable financial assistance policy,  
14 measured at cost.

15           (b) If the taxpayer is a partnership or Subchapter S  
16 corporation, the credit is allowed to the partners or  
17 shareholders in accordance with the determination of income  
18 and distributive share of income under Sections 702 and 704  
19 and Subchapter S of the Internal Revenue Code. A transfer of  
20 this credit may be made by the taxpayer earning the credit  
21 within one year after the credit is earned in accordance with  
22 rules adopted by the Department. The Department shall  
23 prescribe rules to enforce and administer provisions of this  
24 Section. If the amount of the credit exceeds the tax liability  
25 for the year, then the excess credit may be carried forward and  
26 applied to the tax liability of the 5 taxable years following

1 the excess credit year. The credit shall be applied to the  
2 earliest year for which there is a tax liability. If there are  
3 credits from more than one tax year that are available to  
4 offset a liability, the earlier credit shall be applied first.  
5 In no event shall a credit under this Section reduce the  
6 taxpayer's liability to less than zero.

7 (Source: P.A. 100-587, eff. 6-4-18.)

8 Section 25-10. The Use Tax Act is amended by changing  
9 Section 3-8 as follows:

10 (35 ILCS 105/3-8)

11 Sec. 3-8. Hospital exemption.

12 (a) Tangible ~~Until July 1, 2022, tangible~~ personal  
13 property sold to or used by a hospital owner that owns one or  
14 more hospitals licensed under the Hospital Licensing Act or  
15 operated under the University of Illinois Hospital Act, or a  
16 hospital affiliate that is not already exempt under another  
17 provision of this Act and meets the criteria for an exemption  
18 under this Section, is exempt from taxation under this Act.

19 (b) A hospital owner or hospital affiliate satisfies the  
20 conditions for an exemption under this Section if the value of  
21 qualified services or activities listed in subsection (c) of  
22 this Section for the hospital year equals or exceeds the  
23 relevant hospital entity's estimated property tax liability,  
24 without regard to any property tax exemption granted under

1 Section 15-86 of the Property Tax Code, for the calendar year  
2 in which exemption or renewal of exemption is sought. For  
3 purposes of making the calculations required by this  
4 subsection (b), if the relevant hospital entity is a hospital  
5 owner that owns more than one hospital, the value of the  
6 services or activities listed in subsection (c) shall be  
7 calculated on the basis of only those services and activities  
8 relating to the hospital that includes the subject property,  
9 and the relevant hospital entity's estimated property tax  
10 liability shall be calculated only with respect to the  
11 properties comprising that hospital. In the case of a  
12 multi-state hospital system or hospital affiliate, the value  
13 of the services or activities listed in subsection (c) shall  
14 be calculated on the basis of only those services and  
15 activities that occur in Illinois and the relevant hospital  
16 entity's estimated property tax liability shall be calculated  
17 only with respect to its property located in Illinois.

18 (c) The following services and activities shall be  
19 considered for purposes of making the calculations required by  
20 subsection (b):

21 (1) Charity care. Free or discounted services provided  
22 pursuant to the relevant hospital entity's financial  
23 assistance policy, measured at cost, including discounts  
24 provided under the Hospital Uninsured Patient Discount  
25 Act.

26 (2) Health services to low-income and underserved

1 individuals. Other unreimbursed costs of the relevant  
2 hospital entity for providing without charge, paying for,  
3 or subsidizing goods, activities, or services for the  
4 purpose of addressing the health of low-income or  
5 underserved individuals. Those activities or services may  
6 include, but are not limited to: financial or in-kind  
7 support to affiliated or unaffiliated hospitals, hospital  
8 affiliates, community clinics, or programs that treat  
9 low-income or underserved individuals; paying for or  
10 subsidizing health care professionals who care for  
11 low-income or underserved individuals; providing or  
12 subsidizing outreach or educational services to low-income  
13 or underserved individuals for disease management and  
14 prevention; free or subsidized goods, supplies, or  
15 services needed by low-income or underserved individuals  
16 because of their medical condition; and prenatal or  
17 childbirth outreach to low-income or underserved persons.

18 (3) Subsidy of State or local governments. Direct or  
19 indirect financial or in-kind subsidies of State or local  
20 governments by the relevant hospital entity that pay for  
21 or subsidize activities or programs related to health care  
22 for low-income or underserved individuals.

23 (4) Support for State health care programs for  
24 low-income individuals. At the election of the hospital  
25 applicant for each applicable year, either (A) 10% of  
26 payments to the relevant hospital entity and any hospital

1 affiliate designated by the relevant hospital entity  
2 (provided that such hospital affiliate's operations  
3 provide financial or operational support for or receive  
4 financial or operational support from the relevant  
5 hospital entity) under Medicaid or other means-tested  
6 programs, including, but not limited to, General  
7 Assistance, the Covering ALL KIDS Health Insurance Act,  
8 and the State Children's Health Insurance Program or (B)  
9 the amount of subsidy provided by the relevant hospital  
10 entity and any hospital affiliate designated by the  
11 relevant hospital entity (provided that such hospital  
12 affiliate's operations provide financial or operational  
13 support for or receive financial or operational support  
14 from the relevant hospital entity) to State or local  
15 government in treating Medicaid recipients and recipients  
16 of means-tested programs, including but not limited to  
17 General Assistance, the Covering ALL KIDS Health Insurance  
18 Act, and the State Children's Health Insurance Program.  
19 The amount of subsidy for purpose of this item (4) is  
20 calculated in the same manner as unreimbursed costs are  
21 calculated for Medicaid and other means-tested government  
22 programs in the Schedule H of IRS Form 990 in effect on the  
23 effective date of this amendatory Act of the 97th General  
24 Assembly.

25 (5) Dual-eligible subsidy. The amount of subsidy  
26 provided to government by treating dual-eligible

1 Medicare/Medicaid patients. The amount of subsidy for  
2 purposes of this item (5) is calculated by multiplying the  
3 relevant hospital entity's unreimbursed costs for  
4 Medicare, calculated in the same manner as determined in  
5 the Schedule H of IRS Form 990 in effect on the effective  
6 date of this amendatory Act of the 97th General Assembly,  
7 by the relevant hospital entity's ratio of dual-eligible  
8 patients to total Medicare patients.

9 (6) Relief of the burden of government related to  
10 health care. Except to the extent otherwise taken into  
11 account in this subsection, the portion of unreimbursed  
12 costs of the relevant hospital entity attributable to  
13 providing, paying for, or subsidizing goods, activities,  
14 or services that relieve the burden of government related  
15 to health care for low-income individuals. Such activities  
16 or services shall include, but are not limited to,  
17 providing emergency, trauma, burn, neonatal, psychiatric,  
18 rehabilitation, or other special services; providing  
19 medical education; and conducting medical research or  
20 training of health care professionals. The portion of  
21 those unreimbursed costs attributable to benefiting  
22 low-income individuals shall be determined using the ratio  
23 calculated by adding the relevant hospital entity's costs  
24 attributable to charity care, Medicaid, other means-tested  
25 government programs, Medicare patients with disabilities  
26 under age 65, and dual-eligible Medicare/Medicaid patients

1 and dividing that total by the relevant hospital entity's  
2 total costs. Such costs for the numerator and denominator  
3 shall be determined by multiplying gross charges by the  
4 cost to charge ratio taken from the hospital's most  
5 recently filed Medicare cost report (CMS 2252-10  
6 Worksheet, Part I). In the case of emergency services, the  
7 ratio shall be calculated using costs (gross charges  
8 multiplied by the cost to charge ratio taken from the  
9 hospital's most recently filed Medicare cost report (CMS  
10 2252-10 Worksheet, Part I)) of patients treated in the  
11 relevant hospital entity's emergency department.

12 (7) Any other activity by the relevant hospital entity  
13 that the Department determines relieves the burden of  
14 government or addresses the health of low-income or  
15 underserved individuals.

16 (d) The hospital applicant shall include information in  
17 its exemption application establishing that it satisfies the  
18 requirements of subsection (b). For purposes of making the  
19 calculations required by subsection (b), the hospital  
20 applicant may for each year elect to use either (1) the value  
21 of the services or activities listed in subsection (e) for the  
22 hospital year or (2) the average value of those services or  
23 activities for the 3 fiscal years ending with the hospital  
24 year. If the relevant hospital entity has been in operation  
25 for less than 3 completed fiscal years, then the latter  
26 calculation, if elected, shall be performed on a pro rata

1 basis.

2 (e) For purposes of making the calculations required by  
3 this Section:

4 (1) particular services or activities eligible for  
5 consideration under any of the paragraphs (1) through (7)  
6 of subsection (c) may not be counted under more than one of  
7 those paragraphs; and

8 (2) the amount of unreimbursed costs and the amount of  
9 subsidy shall not be reduced by restricted or unrestricted  
10 payments received by the relevant hospital entity as  
11 contributions deductible under Section 170(a) of the  
12 Internal Revenue Code.

13 (f) (Blank).

14 (g) Estimation of Exempt Property Tax Liability. The  
15 estimated property tax liability used for the determination in  
16 subsection (b) shall be calculated as follows:

17 (1) "Estimated property tax liability" means the  
18 estimated dollar amount of property tax that would be  
19 owed, with respect to the exempt portion of each of the  
20 relevant hospital entity's properties that are already  
21 fully or partially exempt, or for which an exemption in  
22 whole or in part is currently being sought, and then  
23 aggregated as applicable, as if the exempt portion of  
24 those properties were subject to tax, calculated with  
25 respect to each such property by multiplying:

26 (A) the lesser of (i) the actual assessed value,



1 if any, of the portion of the property for which an  
2 exemption is sought or (ii) an estimated assessed  
3 value of the exempt portion of such property as  
4 determined in item (2) of this subsection (g), by

5 (B) the applicable State equalization rate  
6 (yielding the equalized assessed value), by

7 (C) the applicable tax rate.

8 (2) The estimated assessed value of the exempt portion  
9 of the property equals the sum of (i) the estimated fair  
10 market value of buildings on the property, as determined  
11 in accordance with subparagraphs (A) and (B) of this item  
12 (2), multiplied by the applicable assessment factor, and  
13 (ii) the estimated assessed value of the land portion of  
14 the property, as determined in accordance with  
15 subparagraph (C).

16 (A) The "estimated fair market value of buildings  
17 on the property" means the replacement value of any  
18 exempt portion of buildings on the property, minus  
19 depreciation, determined utilizing the cost  
20 replacement method whereby the exempt square footage  
21 of all such buildings is multiplied by the replacement  
22 cost per square foot for Class A Average building  
23 found in the most recent edition of the Marshall &  
24 Swift Valuation Services Manual, adjusted by any  
25 appropriate current cost and local multipliers.

26 (B) Depreciation, for purposes of calculating the

1 estimated fair market value of buildings on the  
2 property, is applied by utilizing a weighted mean life  
3 for the buildings based on original construction and  
4 assuming a 40-year life for hospital buildings and the  
5 applicable life for other types of buildings as  
6 specified in the American Hospital Association  
7 publication "Estimated Useful Lives of Depreciable  
8 Hospital Assets". In the case of hospital buildings,  
9 the remaining life is divided by 40 and this ratio is  
10 multiplied by the replacement cost of the buildings to  
11 obtain an estimated fair market value of buildings. If  
12 a hospital building is older than 35 years, a  
13 remaining life of 5 years for residual value is  
14 assumed; and if a building is less than 8 years old, a  
15 remaining life of 32 years is assumed.

16 (C) The estimated assessed value of the land  
17 portion of the property shall be determined by  
18 multiplying (i) the per square foot average of the  
19 assessed values of three parcels of land (not  
20 including farm land, and excluding the assessed value  
21 of the improvements thereon) reasonably comparable to  
22 the property, by (ii) the number of square feet  
23 comprising the exempt portion of the property's land  
24 square footage.

25 (3) The assessment factor, State equalization rate,  
26 and tax rate (including any special factors such as

1 Enterprise Zones) used in calculating the estimated  
2 property tax liability shall be for the most recent year  
3 that is publicly available from the applicable chief  
4 county assessment officer or officers at least 90 days  
5 before the end of the hospital year.

6 (4) The method utilized to calculate estimated  
7 property tax liability for purposes of this Section 15-86  
8 shall not be utilized for the actual valuation,  
9 assessment, or taxation of property pursuant to the  
10 Property Tax Code.

11 (h) For the purpose of this Section, the following terms  
12 shall have the meanings set forth below:

13 (1) "Hospital" means any institution, place, building,  
14 buildings on a campus, or other health care facility  
15 located in Illinois that is licensed under the Hospital  
16 Licensing Act and has a hospital owner.

17 (2) "Hospital owner" means a not-for-profit  
18 corporation that is the titleholder of a hospital, or the  
19 owner of the beneficial interest in an Illinois land trust  
20 that is the titleholder of a hospital.

21 (3) "Hospital affiliate" means any corporation,  
22 partnership, limited partnership, joint venture, limited  
23 liability company, association or other organization,  
24 other than a hospital owner, that directly or indirectly  
25 controls, is controlled by, or is under common control  
26 with one or more hospital owners and that supports, is

1 supported by, or acts in furtherance of the exempt health  
2 care purposes of at least one of those hospital owners'  
3 hospitals.

4 (4) "Hospital system" means a hospital and one or more  
5 other hospitals or hospital affiliates related by common  
6 control or ownership.

7 (5) "Control" relating to hospital owners, hospital  
8 affiliates, or hospital systems means possession, direct  
9 or indirect, of the power to direct or cause the direction  
10 of the management and policies of the entity, whether  
11 through ownership of assets, membership interest, other  
12 voting or governance rights, by contract or otherwise.

13 (6) "Hospital applicant" means a hospital owner or  
14 hospital affiliate that files an application for an  
15 exemption or renewal of exemption under this Section.

16 (7) "Relevant hospital entity" means (A) the hospital  
17 owner, in the case of a hospital applicant that is a  
18 hospital owner, and (B) at the election of a hospital  
19 applicant that is a hospital affiliate, either (i) the  
20 hospital affiliate or (ii) the hospital system to which  
21 the hospital applicant belongs, including any hospitals or  
22 hospital affiliates that are related by common control or  
23 ownership.

24 (8) "Subject property" means property used for the  
25 calculation under subsection (b) of this Section.

26 (9) "Hospital year" means the fiscal year of the

1 relevant hospital entity, or the fiscal year of one of the  
2 hospital owners in the hospital system if the relevant  
3 hospital entity is a hospital system with members with  
4 different fiscal years, that ends in the year for which  
5 the exemption is sought.

6 (i) It is the intent of the General Assembly that any  
7 exemptions taken, granted, or renewed under this Section prior  
8 to the effective date of this amendatory Act of the 100th  
9 General Assembly are hereby validated.

10 (j) It is the intent of the General Assembly that the  
11 exemption under this Section applies on a continuous basis. If  
12 this amendatory Act of the 102nd General Assembly takes effect  
13 after July 1, 2022, any exemptions taken, granted, or renewed  
14 under this Section on or after July 1, 2022 and prior to the  
15 effective date of this amendatory Act of the 102nd General  
16 Assembly are hereby validated.

17 (k) This Section is exempt from the provisions of Section  
18 3-90.

19 (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

20 Section 25-15. The Service Use Tax Act is amended by  
21 changing Section 3-8 as follows:

22 (35 ILCS 110/3-8)

23 Sec. 3-8. Hospital exemption.

24 (a) Tangible ~~Until July 1, 2022, tangible~~ personal

1 property sold to or used by a hospital owner that owns one or  
2 more hospitals licensed under the Hospital Licensing Act or  
3 operated under the University of Illinois Hospital Act, or a  
4 hospital affiliate that is not already exempt under another  
5 provision of this Act and meets the criteria for an exemption  
6 under this Section, is exempt from taxation under this Act.

7 (b) A hospital owner or hospital affiliate satisfies the  
8 conditions for an exemption under this Section if the value of  
9 qualified services or activities listed in subsection (c) of  
10 this Section for the hospital year equals or exceeds the  
11 relevant hospital entity's estimated property tax liability,  
12 without regard to any property tax exemption granted under  
13 Section 15-86 of the Property Tax Code, for the calendar year  
14 in which exemption or renewal of exemption is sought. For  
15 purposes of making the calculations required by this  
16 subsection (b), if the relevant hospital entity is a hospital  
17 owner that owns more than one hospital, the value of the  
18 services or activities listed in subsection (c) shall be  
19 calculated on the basis of only those services and activities  
20 relating to the hospital that includes the subject property,  
21 and the relevant hospital entity's estimated property tax  
22 liability shall be calculated only with respect to the  
23 properties comprising that hospital. In the case of a  
24 multi-state hospital system or hospital affiliate, the value  
25 of the services or activities listed in subsection (c) shall  
26 be calculated on the basis of only those services and

1 activities that occur in Illinois and the relevant hospital  
2 entity's estimated property tax liability shall be calculated  
3 only with respect to its property located in Illinois.

4 (c) The following services and activities shall be  
5 considered for purposes of making the calculations required by  
6 subsection (b):

7 (1) Charity care. Free or discounted services provided  
8 pursuant to the relevant hospital entity's financial  
9 assistance policy, measured at cost, including discounts  
10 provided under the Hospital Uninsured Patient Discount  
11 Act.

12 (2) Health services to low-income and underserved  
13 individuals. Other unreimbursed costs of the relevant  
14 hospital entity for providing without charge, paying for,  
15 or subsidizing goods, activities, or services for the  
16 purpose of addressing the health of low-income or  
17 underserved individuals. Those activities or services may  
18 include, but are not limited to: financial or in-kind  
19 support to affiliated or unaffiliated hospitals, hospital  
20 affiliates, community clinics, or programs that treat  
21 low-income or underserved individuals; paying for or  
22 subsidizing health care professionals who care for  
23 low-income or underserved individuals; providing or  
24 subsidizing outreach or educational services to low-income  
25 or underserved individuals for disease management and  
26 prevention; free or subsidized goods, supplies, or

1 services needed by low-income or underserved individuals  
2 because of their medical condition; and prenatal or  
3 childbirth outreach to low-income or underserved persons.

4 (3) Subsidy of State or local governments. Direct or  
5 indirect financial or in-kind subsidies of State or local  
6 governments by the relevant hospital entity that pay for  
7 or subsidize activities or programs related to health care  
8 for low-income or underserved individuals.

9 (4) Support for State health care programs for  
10 low-income individuals. At the election of the hospital  
11 applicant for each applicable year, either (A) 10% of  
12 payments to the relevant hospital entity and any hospital  
13 affiliate designated by the relevant hospital entity  
14 (provided that such hospital affiliate's operations  
15 provide financial or operational support for or receive  
16 financial or operational support from the relevant  
17 hospital entity) under Medicaid or other means-tested  
18 programs, including, but not limited to, General  
19 Assistance, the Covering ALL KIDS Health Insurance Act,  
20 and the State Children's Health Insurance Program or (B)  
21 the amount of subsidy provided by the relevant hospital  
22 entity and any hospital affiliate designated by the  
23 relevant hospital entity (provided that such hospital  
24 affiliate's operations provide financial or operational  
25 support for or receive financial or operational support  
26 from the relevant hospital entity) to State or local



1 government in treating Medicaid recipients and recipients  
2 of means-tested programs, including but not limited to  
3 General Assistance, the Covering ALL KIDS Health Insurance  
4 Act, and the State Children's Health Insurance Program.  
5 The amount of subsidy for purposes of this item (4) is  
6 calculated in the same manner as unreimbursed costs are  
7 calculated for Medicaid and other means-tested government  
8 programs in the Schedule H of IRS Form 990 in effect on the  
9 effective date of this amendatory Act of the 97th General  
10 Assembly.

11 (5) Dual-eligible subsidy. The amount of subsidy  
12 provided to government by treating dual-eligible  
13 Medicare/Medicaid patients. The amount of subsidy for  
14 purposes of this item (5) is calculated by multiplying the  
15 relevant hospital entity's unreimbursed costs for  
16 Medicare, calculated in the same manner as determined in  
17 the Schedule H of IRS Form 990 in effect on the effective  
18 date of this amendatory Act of the 97th General Assembly,  
19 by the relevant hospital entity's ratio of dual-eligible  
20 patients to total Medicare patients.

21 (6) Relief of the burden of government related to  
22 health care. Except to the extent otherwise taken into  
23 account in this subsection, the portion of unreimbursed  
24 costs of the relevant hospital entity attributable to  
25 providing, paying for, or subsidizing goods, activities,  
26 or services that relieve the burden of government related

1 to health care for low-income individuals. Such activities  
2 or services shall include, but are not limited to,  
3 providing emergency, trauma, burn, neonatal, psychiatric,  
4 rehabilitation, or other special services; providing  
5 medical education; and conducting medical research or  
6 training of health care professionals. The portion of  
7 those unreimbursed costs attributable to benefiting  
8 low-income individuals shall be determined using the ratio  
9 calculated by adding the relevant hospital entity's costs  
10 attributable to charity care, Medicaid, other means-tested  
11 government programs, Medicare patients with disabilities  
12 under age 65, and dual-eligible Medicare/Medicaid patients  
13 and dividing that total by the relevant hospital entity's  
14 total costs. Such costs for the numerator and denominator  
15 shall be determined by multiplying gross charges by the  
16 cost to charge ratio taken from the hospital's most  
17 recently filed Medicare cost report (CMS 2252-10  
18 Worksheet, Part I). In the case of emergency services, the  
19 ratio shall be calculated using costs (gross charges  
20 multiplied by the cost to charge ratio taken from the  
21 hospital's most recently filed Medicare cost report (CMS  
22 2252-10 Worksheet, Part I)) of patients treated in the  
23 relevant hospital entity's emergency department.

24 (7) Any other activity by the relevant hospital entity  
25 that the Department determines relieves the burden of  
26 government or addresses the health of low-income or

1 underserved individuals.

2 (d) The hospital applicant shall include information in  
3 its exemption application establishing that it satisfies the  
4 requirements of subsection (b). For purposes of making the  
5 calculations required by subsection (b), the hospital  
6 applicant may for each year elect to use either (1) the value  
7 of the services or activities listed in subsection (e) for the  
8 hospital year or (2) the average value of those services or  
9 activities for the 3 fiscal years ending with the hospital  
10 year. If the relevant hospital entity has been in operation  
11 for less than 3 completed fiscal years, then the latter  
12 calculation, if elected, shall be performed on a pro rata  
13 basis.

14 (e) For purposes of making the calculations required by  
15 this Section:

16 (1) particular services or activities eligible for  
17 consideration under any of the paragraphs (1) through (7)  
18 of subsection (c) may not be counted under more than one of  
19 those paragraphs; and

20 (2) the amount of unreimbursed costs and the amount of  
21 subsidy shall not be reduced by restricted or unrestricted  
22 payments received by the relevant hospital entity as  
23 contributions deductible under Section 170(a) of the  
24 Internal Revenue Code.

25 (f) (Blank).

26 (g) Estimation of Exempt Property Tax Liability. The

1 estimated property tax liability used for the determination in  
2 subsection (b) shall be calculated as follows:

3 (1) "Estimated property tax liability" means the  
4 estimated dollar amount of property tax that would be  
5 owed, with respect to the exempt portion of each of the  
6 relevant hospital entity's properties that are already  
7 fully or partially exempt, or for which an exemption in  
8 whole or in part is currently being sought, and then  
9 aggregated as applicable, as if the exempt portion of  
10 those properties were subject to tax, calculated with  
11 respect to each such property by multiplying:

12 (A) the lesser of (i) the actual assessed value,  
13 if any, of the portion of the property for which an  
14 exemption is sought or (ii) an estimated assessed  
15 value of the exempt portion of such property as  
16 determined in item (2) of this subsection (g), by

17 (B) the applicable State equalization rate  
18 (yielding the equalized assessed value), by

19 (C) the applicable tax rate.

20 (2) The estimated assessed value of the exempt portion  
21 of the property equals the sum of (i) the estimated fair  
22 market value of buildings on the property, as determined  
23 in accordance with subparagraphs (A) and (B) of this item  
24 (2), multiplied by the applicable assessment factor, and  
25 (ii) the estimated assessed value of the land portion of  
26 the property, as determined in accordance with

1           subparagraph (C).

2           (A) The "estimated fair market value of buildings  
3           on the property" means the replacement value of any  
4           exempt portion of buildings on the property, minus  
5           depreciation, determined utilizing the cost  
6           replacement method whereby the exempt square footage  
7           of all such buildings is multiplied by the replacement  
8           cost per square foot for Class A Average building  
9           found in the most recent edition of the Marshall &  
10          Swift Valuation Services Manual, adjusted by any  
11          appropriate current cost and local multipliers.

12          (B) Depreciation, for purposes of calculating the  
13          estimated fair market value of buildings on the  
14          property, is applied by utilizing a weighted mean life  
15          for the buildings based on original construction and  
16          assuming a 40-year life for hospital buildings and the  
17          applicable life for other types of buildings as  
18          specified in the American Hospital Association  
19          publication "Estimated Useful Lives of Depreciable  
20          Hospital Assets". In the case of hospital buildings,  
21          the remaining life is divided by 40 and this ratio is  
22          multiplied by the replacement cost of the buildings to  
23          obtain an estimated fair market value of buildings. If  
24          a hospital building is older than 35 years, a  
25          remaining life of 5 years for residual value is  
26          assumed; and if a building is less than 8 years old, a

1 remaining life of 32 years is assumed.

2 (C) The estimated assessed value of the land  
3 portion of the property shall be determined by  
4 multiplying (i) the per square foot average of the  
5 assessed values of three parcels of land (not  
6 including farm land, and excluding the assessed value  
7 of the improvements thereon) reasonably comparable to  
8 the property, by (ii) the number of square feet  
9 comprising the exempt portion of the property's land  
10 square footage.

11 (3) The assessment factor, State equalization rate,  
12 and tax rate (including any special factors such as  
13 Enterprise Zones) used in calculating the estimated  
14 property tax liability shall be for the most recent year  
15 that is publicly available from the applicable chief  
16 county assessment officer or officers at least 90 days  
17 before the end of the hospital year.

18 (4) The method utilized to calculate estimated  
19 property tax liability for purposes of this Section 15-86  
20 shall not be utilized for the actual valuation,  
21 assessment, or taxation of property pursuant to the  
22 Property Tax Code.

23 (h) For the purpose of this Section, the following terms  
24 shall have the meanings set forth below:

25 (1) "Hospital" means any institution, place, building,  
26 buildings on a campus, or other health care facility

1 located in Illinois that is licensed under the Hospital  
2 Licensing Act and has a hospital owner.

3 (2) "Hospital owner" means a not-for-profit  
4 corporation that is the titleholder of a hospital, or the  
5 owner of the beneficial interest in an Illinois land trust  
6 that is the titleholder of a hospital.

7 (3) "Hospital affiliate" means any corporation,  
8 partnership, limited partnership, joint venture, limited  
9 liability company, association or other organization,  
10 other than a hospital owner, that directly or indirectly  
11 controls, is controlled by, or is under common control  
12 with one or more hospital owners and that supports, is  
13 supported by, or acts in furtherance of the exempt health  
14 care purposes of at least one of those hospital owners'  
15 hospitals.

16 (4) "Hospital system" means a hospital and one or more  
17 other hospitals or hospital affiliates related by common  
18 control or ownership.

19 (5) "Control" relating to hospital owners, hospital  
20 affiliates, or hospital systems means possession, direct  
21 or indirect, of the power to direct or cause the direction  
22 of the management and policies of the entity, whether  
23 through ownership of assets, membership interest, other  
24 voting or governance rights, by contract or otherwise.

25 (6) "Hospital applicant" means a hospital owner or  
26 hospital affiliate that files an application for an

1 exemption or renewal of exemption under this Section.

2 (7) "Relevant hospital entity" means (A) the hospital  
3 owner, in the case of a hospital applicant that is a  
4 hospital owner, and (B) at the election of a hospital  
5 applicant that is a hospital affiliate, either (i) the  
6 hospital affiliate or (ii) the hospital system to which  
7 the hospital applicant belongs, including any hospitals or  
8 hospital affiliates that are related by common control or  
9 ownership.

10 (8) "Subject property" means property used for the  
11 calculation under subsection (b) of this Section.

12 (9) "Hospital year" means the fiscal year of the  
13 relevant hospital entity, or the fiscal year of one of the  
14 hospital owners in the hospital system if the relevant  
15 hospital entity is a hospital system with members with  
16 different fiscal years, that ends in the year for which  
17 the exemption is sought.

18 (i) It is the intent of the General Assembly that any  
19 exemptions taken, granted, or renewed under this Section prior  
20 to the effective date of this amendatory Act of the 100th  
21 General Assembly are hereby validated.

22 (j) It is the intent of the General Assembly that the  
23 exemption under this Section applies on a continuous basis. If  
24 this amendatory Act of the 102nd General Assembly takes effect  
25 after July 1, 2022, any exemptions taken, granted, or renewed  
26 under this Section on or after July 1, 2022 and prior to the



1 effective date of this amendatory Act of the 102nd General  
2 Assembly are hereby validated.

3 (k) This Section is exempt from the provisions of Section  
4 3-75.

5 (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

6 Section 25-20. The Service Occupation Tax Act is amended  
7 by changing Section 3-8 as follows:

8 (35 ILCS 115/3-8)

9 Sec. 3-8. Hospital exemption.

10 (a) Tangible ~~Until July 1, 2022, tangible~~ personal  
11 property sold to or used by a hospital owner that owns one or  
12 more hospitals licensed under the Hospital Licensing Act or  
13 operated under the University of Illinois Hospital Act, or a  
14 hospital affiliate that is not already exempt under another  
15 provision of this Act and meets the criteria for an exemption  
16 under this Section, is exempt from taxation under this Act.

17 (b) A hospital owner or hospital affiliate satisfies the  
18 conditions for an exemption under this Section if the value of  
19 qualified services or activities listed in subsection (c) of  
20 this Section for the hospital year equals or exceeds the  
21 relevant hospital entity's estimated property tax liability,  
22 without regard to any property tax exemption granted under  
23 Section 15-86 of the Property Tax Code, for the calendar year  
24 in which exemption or renewal of exemption is sought. For

1 purposes of making the calculations required by this  
2 subsection (b), if the relevant hospital entity is a hospital  
3 owner that owns more than one hospital, the value of the  
4 services or activities listed in subsection (c) shall be  
5 calculated on the basis of only those services and activities  
6 relating to the hospital that includes the subject property,  
7 and the relevant hospital entity's estimated property tax  
8 liability shall be calculated only with respect to the  
9 properties comprising that hospital. In the case of a  
10 multi-state hospital system or hospital affiliate, the value  
11 of the services or activities listed in subsection (c) shall  
12 be calculated on the basis of only those services and  
13 activities that occur in Illinois and the relevant hospital  
14 entity's estimated property tax liability shall be calculated  
15 only with respect to its property located in Illinois.

16 (c) The following services and activities shall be  
17 considered for purposes of making the calculations required by  
18 subsection (b):

19 (1) Charity care. Free or discounted services provided  
20 pursuant to the relevant hospital entity's financial  
21 assistance policy, measured at cost, including discounts  
22 provided under the Hospital Uninsured Patient Discount  
23 Act.

24 (2) Health services to low-income and underserved  
25 individuals. Other unreimbursed costs of the relevant  
26 hospital entity for providing without charge, paying for,

1 or subsidizing goods, activities, or services for the  
2 purpose of addressing the health of low-income or  
3 underserved individuals. Those activities or services may  
4 include, but are not limited to: financial or in-kind  
5 support to affiliated or unaffiliated hospitals, hospital  
6 affiliates, community clinics, or programs that treat  
7 low-income or underserved individuals; paying for or  
8 subsidizing health care professionals who care for  
9 low-income or underserved individuals; providing or  
10 subsidizing outreach or educational services to low-income  
11 or underserved individuals for disease management and  
12 prevention; free or subsidized goods, supplies, or  
13 services needed by low-income or underserved individuals  
14 because of their medical condition; and prenatal or  
15 childbirth outreach to low-income or underserved persons.

16 (3) Subsidy of State or local governments. Direct or  
17 indirect financial or in-kind subsidies of State or local  
18 governments by the relevant hospital entity that pay for  
19 or subsidize activities or programs related to health care  
20 for low-income or underserved individuals.

21 (4) Support for State health care programs for  
22 low-income individuals. At the election of the hospital  
23 applicant for each applicable year, either (A) 10% of  
24 payments to the relevant hospital entity and any hospital  
25 affiliate designated by the relevant hospital entity  
26 (provided that such hospital affiliate's operations

1 provide financial or operational support for or receive  
2 financial or operational support from the relevant  
3 hospital entity) under Medicaid or other means-tested  
4 programs, including, but not limited to, General  
5 Assistance, the Covering ALL KIDS Health Insurance Act,  
6 and the State Children's Health Insurance Program or (B)  
7 the amount of subsidy provided by the relevant hospital  
8 entity and any hospital affiliate designated by the  
9 relevant hospital entity (provided that such hospital  
10 affiliate's operations provide financial or operational  
11 support for or receive financial or operational support  
12 from the relevant hospital entity) to State or local  
13 government in treating Medicaid recipients and recipients  
14 of means-tested programs, including but not limited to  
15 General Assistance, the Covering ALL KIDS Health Insurance  
16 Act, and the State Children's Health Insurance Program.  
17 The amount of subsidy for purposes of this item (4) is  
18 calculated in the same manner as unreimbursed costs are  
19 calculated for Medicaid and other means-tested government  
20 programs in the Schedule H of IRS Form 990 in effect on the  
21 effective date of this amendatory Act of the 97th General  
22 Assembly.

23 (5) Dual-eligible subsidy. The amount of subsidy  
24 provided to government by treating dual-eligible  
25 Medicare/Medicaid patients. The amount of subsidy for  
26 purposes of this item (5) is calculated by multiplying the

1 relevant hospital entity's unreimbursed costs for  
2 Medicare, calculated in the same manner as determined in  
3 the Schedule H of IRS Form 990 in effect on the effective  
4 date of this amendatory Act of the 97th General Assembly,  
5 by the relevant hospital entity's ratio of dual-eligible  
6 patients to total Medicare patients.

7 (6) Relief of the burden of government related to  
8 health care. Except to the extent otherwise taken into  
9 account in this subsection, the portion of unreimbursed  
10 costs of the relevant hospital entity attributable to  
11 providing, paying for, or subsidizing goods, activities,  
12 or services that relieve the burden of government related  
13 to health care for low-income individuals. Such activities  
14 or services shall include, but are not limited to,  
15 providing emergency, trauma, burn, neonatal, psychiatric,  
16 rehabilitation, or other special services; providing  
17 medical education; and conducting medical research or  
18 training of health care professionals. The portion of  
19 those unreimbursed costs attributable to benefiting  
20 low-income individuals shall be determined using the ratio  
21 calculated by adding the relevant hospital entity's costs  
22 attributable to charity care, Medicaid, other means-tested  
23 government programs, Medicare patients with disabilities  
24 under age 65, and dual-eligible Medicare/Medicaid patients  
25 and dividing that total by the relevant hospital entity's  
26 total costs. Such costs for the numerator and denominator

1 shall be determined by multiplying gross charges by the  
2 cost to charge ratio taken from the hospital's most  
3 recently filed Medicare cost report (CMS 2252-10  
4 Worksheet, Part I). In the case of emergency services, the  
5 ratio shall be calculated using costs (gross charges  
6 multiplied by the cost to charge ratio taken from the  
7 hospital's most recently filed Medicare cost report (CMS  
8 2252-10 Worksheet, Part I)) of patients treated in the  
9 relevant hospital entity's emergency department.

10 (7) Any other activity by the relevant hospital entity  
11 that the Department determines relieves the burden of  
12 government or addresses the health of low-income or  
13 underserved individuals.

14 (d) The hospital applicant shall include information in  
15 its exemption application establishing that it satisfies the  
16 requirements of subsection (b). For purposes of making the  
17 calculations required by subsection (b), the hospital  
18 applicant may for each year elect to use either (1) the value  
19 of the services or activities listed in subsection (e) for the  
20 hospital year or (2) the average value of those services or  
21 activities for the 3 fiscal years ending with the hospital  
22 year. If the relevant hospital entity has been in operation  
23 for less than 3 completed fiscal years, then the latter  
24 calculation, if elected, shall be performed on a pro rata  
25 basis.

26 (e) For purposes of making the calculations required by

1 this Section:

2 (1) particular services or activities eligible for  
3 consideration under any of the paragraphs (1) through (7)  
4 of subsection (c) may not be counted under more than one of  
5 those paragraphs; and

6 (2) the amount of unreimbursed costs and the amount of  
7 subsidy shall not be reduced by restricted or unrestricted  
8 payments received by the relevant hospital entity as  
9 contributions deductible under Section 170(a) of the  
10 Internal Revenue Code.

11 (f) (Blank).

12 (g) Estimation of Exempt Property Tax Liability. The  
13 estimated property tax liability used for the determination in  
14 subsection (b) shall be calculated as follows:

15 (1) "Estimated property tax liability" means the  
16 estimated dollar amount of property tax that would be  
17 owed, with respect to the exempt portion of each of the  
18 relevant hospital entity's properties that are already  
19 fully or partially exempt, or for which an exemption in  
20 whole or in part is currently being sought, and then  
21 aggregated as applicable, as if the exempt portion of  
22 those properties were subject to tax, calculated with  
23 respect to each such property by multiplying:

24 (A) the lesser of (i) the actual assessed value,  
25 if any, of the portion of the property for which an  
26 exemption is sought or (ii) an estimated assessed

1 value of the exempt portion of such property as  
2 determined in item (2) of this subsection (g), by

3 (B) the applicable State equalization rate  
4 (yielding the equalized assessed value), by

5 (C) the applicable tax rate.

6 (2) The estimated assessed value of the exempt portion  
7 of the property equals the sum of (i) the estimated fair  
8 market value of buildings on the property, as determined  
9 in accordance with subparagraphs (A) and (B) of this item  
10 (2), multiplied by the applicable assessment factor, and  
11 (ii) the estimated assessed value of the land portion of  
12 the property, as determined in accordance with  
13 subparagraph (C).

14 (A) The "estimated fair market value of buildings  
15 on the property" means the replacement value of any  
16 exempt portion of buildings on the property, minus  
17 depreciation, determined utilizing the cost  
18 replacement method whereby the exempt square footage  
19 of all such buildings is multiplied by the replacement  
20 cost per square foot for Class A Average building  
21 found in the most recent edition of the Marshall &  
22 Swift Valuation Services Manual, adjusted by any  
23 appropriate current cost and local multipliers.

24 (B) Depreciation, for purposes of calculating the  
25 estimated fair market value of buildings on the  
26 property, is applied by utilizing a weighted mean life



1 for the buildings based on original construction and  
2 assuming a 40-year life for hospital buildings and the  
3 applicable life for other types of buildings as  
4 specified in the American Hospital Association  
5 publication "Estimated Useful Lives of Depreciable  
6 Hospital Assets". In the case of hospital buildings,  
7 the remaining life is divided by 40 and this ratio is  
8 multiplied by the replacement cost of the buildings to  
9 obtain an estimated fair market value of buildings. If  
10 a hospital building is older than 35 years, a  
11 remaining life of 5 years for residual value is  
12 assumed; and if a building is less than 8 years old, a  
13 remaining life of 32 years is assumed.

14 (C) The estimated assessed value of the land  
15 portion of the property shall be determined by  
16 multiplying (i) the per square foot average of the  
17 assessed values of three parcels of land (not  
18 including farm land, and excluding the assessed value  
19 of the improvements thereon) reasonably comparable to  
20 the property, by (ii) the number of square feet  
21 comprising the exempt portion of the property's land  
22 square footage.

23 (3) The assessment factor, State equalization rate,  
24 and tax rate (including any special factors such as  
25 Enterprise Zones) used in calculating the estimated  
26 property tax liability shall be for the most recent year

1 that is publicly available from the applicable chief  
2 county assessment officer or officers at least 90 days  
3 before the end of the hospital year.

4 (4) The method utilized to calculate estimated  
5 property tax liability for purposes of this Section 15-86  
6 shall not be utilized for the actual valuation,  
7 assessment, or taxation of property pursuant to the  
8 Property Tax Code.

9 (h) For the purpose of this Section, the following terms  
10 shall have the meanings set forth below:

11 (1) "Hospital" means any institution, place, building,  
12 buildings on a campus, or other health care facility  
13 located in Illinois that is licensed under the Hospital  
14 Licensing Act and has a hospital owner.

15 (2) "Hospital owner" means a not-for-profit  
16 corporation that is the titleholder of a hospital, or the  
17 owner of the beneficial interest in an Illinois land trust  
18 that is the titleholder of a hospital.

19 (3) "Hospital affiliate" means any corporation,  
20 partnership, limited partnership, joint venture, limited  
21 liability company, association or other organization,  
22 other than a hospital owner, that directly or indirectly  
23 controls, is controlled by, or is under common control  
24 with one or more hospital owners and that supports, is  
25 supported by, or acts in furtherance of the exempt health  
26 care purposes of at least one of those hospital owners'

1 hospitals.

2 (4) "Hospital system" means a hospital and one or more  
3 other hospitals or hospital affiliates related by common  
4 control or ownership.

5 (5) "Control" relating to hospital owners, hospital  
6 affiliates, or hospital systems means possession, direct  
7 or indirect, of the power to direct or cause the direction  
8 of the management and policies of the entity, whether  
9 through ownership of assets, membership interest, other  
10 voting or governance rights, by contract or otherwise.

11 (6) "Hospital applicant" means a hospital owner or  
12 hospital affiliate that files an application for an  
13 exemption or renewal of exemption under this Section.

14 (7) "Relevant hospital entity" means (A) the hospital  
15 owner, in the case of a hospital applicant that is a  
16 hospital owner, and (B) at the election of a hospital  
17 applicant that is a hospital affiliate, either (i) the  
18 hospital affiliate or (ii) the hospital system to which  
19 the hospital applicant belongs, including any hospitals or  
20 hospital affiliates that are related by common control or  
21 ownership.

22 (8) "Subject property" means property used for the  
23 calculation under subsection (b) of this Section.

24 (9) "Hospital year" means the fiscal year of the  
25 relevant hospital entity, or the fiscal year of one of the  
26 hospital owners in the hospital system if the relevant

1 hospital entity is a hospital system with members with  
2 different fiscal years, that ends in the year for which  
3 the exemption is sought.

4 (i) It is the intent of the General Assembly that any  
5 exemptions taken, granted, or renewed under this Section prior  
6 to the effective date of this amendatory Act of the 100th  
7 General Assembly are hereby validated.

8 (j) It is the intent of the General Assembly that the  
9 exemption under this Section applies on a continuous basis. If  
10 this amendatory Act of the 102nd General Assembly takes effect  
11 after July 1, 2022, any exemptions taken, granted, or renewed  
12 under this Section on or after July 1, 2022 and prior to the  
13 effective date of this amendatory Act of the 102nd General  
14 Assembly are hereby validated.

15 (k) This Section is exempt from the provisions of Section  
16 3-55.

17 (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

18 Section 25-25. The Retailers' Occupation Tax Act is  
19 amended by changing Section 2-9 as follows:

20 (35 ILCS 120/2-9)

21 Sec. 2-9. Hospital exemption.

22 (a) Tangible ~~Until July 1, 2022, tangible~~ personal  
23 property sold to or used by a hospital owner that owns one or  
24 more hospitals licensed under the Hospital Licensing Act or

1 operated under the University of Illinois Hospital Act, or a  
2 hospital affiliate that is not already exempt under another  
3 provision of this Act and meets the criteria for an exemption  
4 under this Section, is exempt from taxation under this Act.

5 (b) A hospital owner or hospital affiliate satisfies the  
6 conditions for an exemption under this Section if the value of  
7 qualified services or activities listed in subsection (c) of  
8 this Section for the hospital year equals or exceeds the  
9 relevant hospital entity's estimated property tax liability,  
10 without regard to any property tax exemption granted under  
11 Section 15-86 of the Property Tax Code, for the calendar year  
12 in which exemption or renewal of exemption is sought. For  
13 purposes of making the calculations required by this  
14 subsection (b), if the relevant hospital entity is a hospital  
15 owner that owns more than one hospital, the value of the  
16 services or activities listed in subsection (c) shall be  
17 calculated on the basis of only those services and activities  
18 relating to the hospital that includes the subject property,  
19 and the relevant hospital entity's estimated property tax  
20 liability shall be calculated only with respect to the  
21 properties comprising that hospital. In the case of a  
22 multi-state hospital system or hospital affiliate, the value  
23 of the services or activities listed in subsection (c) shall  
24 be calculated on the basis of only those services and  
25 activities that occur in Illinois and the relevant hospital  
26 entity's estimated property tax liability shall be calculated

1 only with respect to its property located in Illinois.

2 (c) The following services and activities shall be  
3 considered for purposes of making the calculations required by  
4 subsection (b):

5 (1) Charity care. Free or discounted services provided  
6 pursuant to the relevant hospital entity's financial  
7 assistance policy, measured at cost, including discounts  
8 provided under the Hospital Uninsured Patient Discount  
9 Act.

10 (2) Health services to low-income and underserved  
11 individuals. Other unreimbursed costs of the relevant  
12 hospital entity for providing without charge, paying for,  
13 or subsidizing goods, activities, or services for the  
14 purpose of addressing the health of low-income or  
15 underserved individuals. Those activities or services may  
16 include, but are not limited to: financial or in-kind  
17 support to affiliated or unaffiliated hospitals, hospital  
18 affiliates, community clinics, or programs that treat  
19 low-income or underserved individuals; paying for or  
20 subsidizing health care professionals who care for  
21 low-income or underserved individuals; providing or  
22 subsidizing outreach or educational services to low-income  
23 or underserved individuals for disease management and  
24 prevention; free or subsidized goods, supplies, or  
25 services needed by low-income or underserved individuals  
26 because of their medical condition; and prenatal or

1 childbirth outreach to low-income or underserved persons.

2 (3) Subsidy of State or local governments. Direct or  
3 indirect financial or in-kind subsidies of State or local  
4 governments by the relevant hospital entity that pay for  
5 or subsidize activities or programs related to health care  
6 for low-income or underserved individuals.

7 (4) Support for State health care programs for  
8 low-income individuals. At the election of the hospital  
9 applicant for each applicable year, either (A) 10% of  
10 payments to the relevant hospital entity and any hospital  
11 affiliate designated by the relevant hospital entity  
12 (provided that such hospital affiliate's operations  
13 provide financial or operational support for or receive  
14 financial or operational support from the relevant  
15 hospital entity) under Medicaid or other means-tested  
16 programs, including, but not limited to, General  
17 Assistance, the Covering ALL KIDS Health Insurance Act,  
18 and the State Children's Health Insurance Program or (B)  
19 the amount of subsidy provided by the relevant hospital  
20 entity and any hospital affiliate designated by the  
21 relevant hospital entity (provided that such hospital  
22 affiliate's operations provide financial or operational  
23 support for or receive financial or operational support  
24 from the relevant hospital entity) to State or local  
25 government in treating Medicaid recipients and recipients  
26 of means-tested programs, including but not limited to

1 General Assistance, the Covering ALL KIDS Health Insurance  
2 Act, and the State Children's Health Insurance Program.  
3 The amount of subsidy for purposes of this item (4) is  
4 calculated in the same manner as unreimbursed costs are  
5 calculated for Medicaid and other means-tested government  
6 programs in the Schedule H of IRS Form 990 in effect on the  
7 effective date of this amendatory Act of the 97th General  
8 Assembly.

9 (5) Dual-eligible subsidy. The amount of subsidy  
10 provided to government by treating dual-eligible  
11 Medicare/Medicaid patients. The amount of subsidy for  
12 purposes of this item (5) is calculated by multiplying the  
13 relevant hospital entity's unreimbursed costs for  
14 Medicare, calculated in the same manner as determined in  
15 the Schedule H of IRS Form 990 in effect on the effective  
16 date of this amendatory Act of the 97th General Assembly,  
17 by the relevant hospital entity's ratio of dual-eligible  
18 patients to total Medicare patients.

19 (6) Relief of the burden of government related to  
20 health care. Except to the extent otherwise taken into  
21 account in this subsection, the portion of unreimbursed  
22 costs of the relevant hospital entity attributable to  
23 providing, paying for, or subsidizing goods, activities,  
24 or services that relieve the burden of government related  
25 to health care for low-income individuals. Such activities  
26 or services shall include, but are not limited to,



1 providing emergency, trauma, burn, neonatal, psychiatric,  
2 rehabilitation, or other special services; providing  
3 medical education; and conducting medical research or  
4 training of health care professionals. The portion of  
5 those unreimbursed costs attributable to benefiting  
6 low-income individuals shall be determined using the ratio  
7 calculated by adding the relevant hospital entity's costs  
8 attributable to charity care, Medicaid, other means-tested  
9 government programs, Medicare patients with disabilities  
10 under age 65, and dual-eligible Medicare/Medicaid patients  
11 and dividing that total by the relevant hospital entity's  
12 total costs. Such costs for the numerator and denominator  
13 shall be determined by multiplying gross charges by the  
14 cost to charge ratio taken from the hospital's most  
15 recently filed Medicare cost report (CMS 2252-10  
16 Worksheet, Part I). In the case of emergency services, the  
17 ratio shall be calculated using costs (gross charges  
18 multiplied by the cost to charge ratio taken from the  
19 hospital's most recently filed Medicare cost report (CMS  
20 2252-10 Worksheet, Part I)) of patients treated in the  
21 relevant hospital entity's emergency department.

22 (7) Any other activity by the relevant hospital entity  
23 that the Department determines relieves the burden of  
24 government or addresses the health of low-income or  
25 underserved individuals.

26 (d) The hospital applicant shall include information in

1 its exemption application establishing that it satisfies the  
2 requirements of subsection (b). For purposes of making the  
3 calculations required by subsection (b), the hospital  
4 applicant may for each year elect to use either (1) the value  
5 of the services or activities listed in subsection (e) for the  
6 hospital year or (2) the average value of those services or  
7 activities for the 3 fiscal years ending with the hospital  
8 year. If the relevant hospital entity has been in operation  
9 for less than 3 completed fiscal years, then the latter  
10 calculation, if elected, shall be performed on a pro rata  
11 basis.

12 (e) For purposes of making the calculations required by  
13 this Section:

14 (1) particular services or activities eligible for  
15 consideration under any of the paragraphs (1) through (7)  
16 of subsection (c) may not be counted under more than one of  
17 those paragraphs; and

18 (2) the amount of unreimbursed costs and the amount of  
19 subsidy shall not be reduced by restricted or unrestricted  
20 payments received by the relevant hospital entity as  
21 contributions deductible under Section 170(a) of the  
22 Internal Revenue Code.

23 (f) (Blank).

24 (g) Estimation of Exempt Property Tax Liability. The  
25 estimated property tax liability used for the determination in  
26 subsection (b) shall be calculated as follows:

1           (1) "Estimated property tax liability" means the  
2           estimated dollar amount of property tax that would be  
3           owed, with respect to the exempt portion of each of the  
4           relevant hospital entity's properties that are already  
5           fully or partially exempt, or for which an exemption in  
6           whole or in part is currently being sought, and then  
7           aggregated as applicable, as if the exempt portion of  
8           those properties were subject to tax, calculated with  
9           respect to each such property by multiplying:

10                   (A) the lesser of (i) the actual assessed value,  
11                   if any, of the portion of the property for which an  
12                   exemption is sought or (ii) an estimated assessed  
13                   value of the exempt portion of such property as  
14                   determined in item (2) of this subsection (g), by

15                   (B) the applicable State equalization rate  
16                   (yielding the equalized assessed value), by

17                   (C) the applicable tax rate.

18           (2) The estimated assessed value of the exempt portion  
19           of the property equals the sum of (i) the estimated fair  
20           market value of buildings on the property, as determined  
21           in accordance with subparagraphs (A) and (B) of this item  
22           (2), multiplied by the applicable assessment factor, and  
23           (ii) the estimated assessed value of the land portion of  
24           the property, as determined in accordance with  
25           subparagraph (C).

26                   (A) The "estimated fair market value of buildings

1           on the property" means the replacement value of any  
2           exempt portion of buildings on the property, minus  
3           depreciation, determined utilizing the cost  
4           replacement method whereby the exempt square footage  
5           of all such buildings is multiplied by the replacement  
6           cost per square foot for Class A Average building  
7           found in the most recent edition of the Marshall &  
8           Swift Valuation Services Manual, adjusted by any  
9           appropriate current cost and local multipliers.

10           (B) Depreciation, for purposes of calculating the  
11           estimated fair market value of buildings on the  
12           property, is applied by utilizing a weighted mean life  
13           for the buildings based on original construction and  
14           assuming a 40-year life for hospital buildings and the  
15           applicable life for other types of buildings as  
16           specified in the American Hospital Association  
17           publication "Estimated Useful Lives of Depreciable  
18           Hospital Assets". In the case of hospital buildings,  
19           the remaining life is divided by 40 and this ratio is  
20           multiplied by the replacement cost of the buildings to  
21           obtain an estimated fair market value of buildings. If  
22           a hospital building is older than 35 years, a  
23           remaining life of 5 years for residual value is  
24           assumed; and if a building is less than 8 years old, a  
25           remaining life of 32 years is assumed.

26           (C) The estimated assessed value of the land

1 portion of the property shall be determined by  
2 multiplying (i) the per square foot average of the  
3 assessed values of three parcels of land (not  
4 including farm land, and excluding the assessed value  
5 of the improvements thereon) reasonably comparable to  
6 the property, by (ii) the number of square feet  
7 comprising the exempt portion of the property's land  
8 square footage.

9 (3) The assessment factor, State equalization rate,  
10 and tax rate (including any special factors such as  
11 Enterprise Zones) used in calculating the estimated  
12 property tax liability shall be for the most recent year  
13 that is publicly available from the applicable chief  
14 county assessment officer or officers at least 90 days  
15 before the end of the hospital year.

16 (4) The method utilized to calculate estimated  
17 property tax liability for purposes of this Section 15-86  
18 shall not be utilized for the actual valuation,  
19 assessment, or taxation of property pursuant to the  
20 Property Tax Code.

21 (h) For the purpose of this Section, the following terms  
22 shall have the meanings set forth below:

23 (1) "Hospital" means any institution, place, building,  
24 buildings on a campus, or other health care facility  
25 located in Illinois that is licensed under the Hospital  
26 Licensing Act and has a hospital owner.

1           (2) "Hospital owner" means a not-for-profit  
2 corporation that is the titleholder of a hospital, or the  
3 owner of the beneficial interest in an Illinois land trust  
4 that is the titleholder of a hospital.

5           (3) "Hospital affiliate" means any corporation,  
6 partnership, limited partnership, joint venture, limited  
7 liability company, association or other organization,  
8 other than a hospital owner, that directly or indirectly  
9 controls, is controlled by, or is under common control  
10 with one or more hospital owners and that supports, is  
11 supported by, or acts in furtherance of the exempt health  
12 care purposes of at least one of those hospital owners'  
13 hospitals.

14           (4) "Hospital system" means a hospital and one or more  
15 other hospitals or hospital affiliates related by common  
16 control or ownership.

17           (5) "Control" relating to hospital owners, hospital  
18 affiliates, or hospital systems means possession, direct  
19 or indirect, of the power to direct or cause the direction  
20 of the management and policies of the entity, whether  
21 through ownership of assets, membership interest, other  
22 voting or governance rights, by contract or otherwise.

23           (6) "Hospital applicant" means a hospital owner or  
24 hospital affiliate that files an application for an  
25 exemption or renewal of exemption under this Section.

26           (7) "Relevant hospital entity" means (A) the hospital

1 owner, in the case of a hospital applicant that is a  
2 hospital owner, and (B) at the election of a hospital  
3 applicant that is a hospital affiliate, either (i) the  
4 hospital affiliate or (ii) the hospital system to which  
5 the hospital applicant belongs, including any hospitals or  
6 hospital affiliates that are related by common control or  
7 ownership.

8 (8) "Subject property" means property used for the  
9 calculation under subsection (b) of this Section.

10 (9) "Hospital year" means the fiscal year of the  
11 relevant hospital entity, or the fiscal year of one of the  
12 hospital owners in the hospital system if the relevant  
13 hospital entity is a hospital system with members with  
14 different fiscal years, that ends in the year for which  
15 the exemption is sought.

16 (i) It is the intent of the General Assembly that any  
17 exemptions taken, granted, or renewed under this Section prior  
18 to the effective date of this amendatory Act of the 100th  
19 General Assembly are hereby validated.

20 (j) It is the intent of the General Assembly that the  
21 exemption under this Section applies on a continuous basis. If  
22 this amendatory Act of the 102nd General Assembly takes effect  
23 after July 1, 2022, any exemptions taken, granted, or renewed  
24 under this Section on or after July 1, 2022 and prior to the  
25 effective date of this amendatory Act of the 102nd General  
26 Assembly are hereby validated.

1           (k) This Section is exempt from the provisions of Section  
2           2-70.

3           (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

4                                   ARTICLE 30. ORGAN DONATION

5           Section 30-5. The Illinois Income Tax Act is amended by  
6           changing Section 704A as follows:

7           (35 ILCS 5/704A)

8           Sec. 704A. Employer's return and payment of tax withheld.

9           (a) In general, every employer who deducts and withholds  
10          or is required to deduct and withhold tax under this Act on or  
11          after January 1, 2008 shall make those payments and returns as  
12          provided in this Section.

13          (b) Returns. Every employer shall, in the form and manner  
14          required by the Department, make returns with respect to taxes  
15          withheld or required to be withheld under this Article 7 for  
16          each quarter beginning on or after January 1, 2008, on or  
17          before the last day of the first month following the close of  
18          that quarter.

19          (c) Payments. With respect to amounts withheld or required  
20          to be withheld on or after January 1, 2008:

21                  (1) Semi-weekly payments. For each calendar year, each  
22                  employer who withheld or was required to withhold more  
23                  than \$12,000 during the one-year period ending on June 30



1 of the immediately preceding calendar year, payment must  
2 be made:

3 (A) on or before each Friday of the calendar year,  
4 for taxes withheld or required to be withheld on the  
5 immediately preceding Saturday, Sunday, Monday, or  
6 Tuesday;

7 (B) on or before each Wednesday of the calendar  
8 year, for taxes withheld or required to be withheld on  
9 the immediately preceding Wednesday, Thursday, or  
10 Friday.

11 Beginning with calendar year 2011, payments made under  
12 this paragraph (1) of subsection (c) must be made by  
13 electronic funds transfer.

14 (2) Semi-weekly payments. Any employer who withholds  
15 or is required to withhold more than \$12,000 in any  
16 quarter of a calendar year is required to make payments on  
17 the dates set forth under item (1) of this subsection (c)  
18 for each remaining quarter of that calendar year and for  
19 the subsequent calendar year.

20 (3) Monthly payments. Each employer, other than an  
21 employer described in items (1) or (2) of this subsection,  
22 shall pay to the Department, on or before the 15th day of  
23 each month the taxes withheld or required to be withheld  
24 during the immediately preceding month.

25 (4) Payments with returns. Each employer shall pay to  
26 the Department, on or before the due date for each return

1 required to be filed under this Section, any tax withheld  
2 or required to be withheld during the period for which the  
3 return is due and not previously paid to the Department.

4 (d) Regulatory authority. The Department may, by rule:

5 (1) Permit employers, in lieu of the requirements of  
6 subsections (b) and (c), to file annual returns due on or  
7 before January 31 of the year for taxes withheld or  
8 required to be withheld during the previous calendar year  
9 and, if the aggregate amounts required to be withheld by  
10 the employer under this Article 7 (other than amounts  
11 required to be withheld under Section 709.5) do not exceed  
12 \$1,000 for the previous calendar year, to pay the taxes  
13 required to be shown on each such return no later than the  
14 due date for such return.

15 (2) Provide that any payment required to be made under  
16 subsection (c)(1) or (c)(2) is deemed to be timely to the  
17 extent paid by electronic funds transfer on or before the  
18 due date for deposit of federal income taxes withheld  
19 from, or federal employment taxes due with respect to, the  
20 wages from which the Illinois taxes were withheld.

21 (3) Designate one or more depositories to which  
22 payment of taxes required to be withheld under this  
23 Article 7 must be paid by some or all employers.

24 (4) Increase the threshold dollar amounts at which  
25 employers are required to make semi-weekly payments under  
26 subsection (c)(1) or (c)(2).

1           (e) Annual return and payment. Every employer who deducts  
2 and withholds or is required to deduct and withhold tax from a  
3 person engaged in domestic service employment, as that term is  
4 defined in Section 3510 of the Internal Revenue Code, may  
5 comply with the requirements of this Section with respect to  
6 such employees by filing an annual return and paying the taxes  
7 required to be deducted and withheld on or before the 15th day  
8 of the fourth month following the close of the employer's  
9 taxable year. The Department may allow the employer's return  
10 to be submitted with the employer's individual income tax  
11 return or to be submitted with a return due from the employer  
12 under Section 1400.2 of the Unemployment Insurance Act.

13           (f) Magnetic media and electronic filing. With respect to  
14 taxes withheld in calendar years prior to 2017, any W-2 Form  
15 that, under the Internal Revenue Code and regulations  
16 promulgated thereunder, is required to be submitted to the  
17 Internal Revenue Service on magnetic media or electronically  
18 must also be submitted to the Department on magnetic media or  
19 electronically for Illinois purposes, if required by the  
20 Department.

21           With respect to taxes withheld in 2017 and subsequent  
22 calendar years, the Department may, by rule, require that any  
23 return (including any amended return) under this Section and  
24 any W-2 Form that is required to be submitted to the Department  
25 must be submitted on magnetic media or electronically.

26           The due date for submitting W-2 Forms shall be as

1 prescribed by the Department by rule.

2 (g) For amounts deducted or withheld after December 31,  
3 2009, a taxpayer who makes an election under subsection (f) of  
4 Section 5-15 of the Economic Development for a Growing Economy  
5 Tax Credit Act for a taxable year shall be allowed a credit  
6 against payments due under this Section for amounts withheld  
7 during the first calendar year beginning after the end of that  
8 taxable year equal to the amount of the credit for the  
9 incremental income tax attributable to full-time employees of  
10 the taxpayer awarded to the taxpayer by the Department of  
11 Commerce and Economic Opportunity under the Economic  
12 Development for a Growing Economy Tax Credit Act for the  
13 taxable year and credits not previously claimed and allowed to  
14 be carried forward under Section 211(4) of this Act as  
15 provided in subsection (f) of Section 5-15 of the Economic  
16 Development for a Growing Economy Tax Credit Act. The credit  
17 or credits may not reduce the taxpayer's obligation for any  
18 payment due under this Section to less than zero. If the amount  
19 of the credit or credits exceeds the total payments due under  
20 this Section with respect to amounts withheld during the  
21 calendar year, the excess may be carried forward and applied  
22 against the taxpayer's liability under this Section in the  
23 succeeding calendar years as allowed to be carried forward  
24 under paragraph (4) of Section 211 of this Act. The credit or  
25 credits shall be applied to the earliest year for which there  
26 is a tax liability. If there are credits from more than one

1 taxable year that are available to offset a liability, the  
2 earlier credit shall be applied first. Each employer who  
3 deducts and withholds or is required to deduct and withhold  
4 tax under this Act and who retains income tax withholdings  
5 under subsection (f) of Section 5-15 of the Economic  
6 Development for a Growing Economy Tax Credit Act must make a  
7 return with respect to such taxes and retained amounts in the  
8 form and manner that the Department, by rule, requires and pay  
9 to the Department or to a depository designated by the  
10 Department those withheld taxes not retained by the taxpayer.  
11 For purposes of this subsection (g), the term taxpayer shall  
12 include taxpayer and members of the taxpayer's unitary  
13 business group as defined under paragraph (27) of subsection  
14 (a) of Section 1501 of this Act. This Section is exempt from  
15 the provisions of Section 250 of this Act. No credit awarded  
16 under the Economic Development for a Growing Economy Tax  
17 Credit Act for agreements entered into on or after January 1,  
18 2015 may be credited against payments due under this Section.

19 (g-1) For amounts deducted or withheld after December 31,  
20 2024, a taxpayer who makes an election under the Reimagining  
21 Electric Vehicles in Illinois Act shall be allowed a credit  
22 against payments due under this Section for amounts withheld  
23 during the first quarterly reporting period beginning after  
24 the certificate is issued equal to the portion of the REV  
25 Illinois Credit attributable to the incremental income tax  
26 attributable to new employees and retained employees as

1 certified by the Department of Commerce and Economic  
2 Opportunity pursuant to an agreement with the taxpayer under  
3 the Reimagining Electric Vehicles in Illinois Act for the  
4 taxable year. The credit or credits may not reduce the  
5 taxpayer's obligation for any payment due under this Section  
6 to less than zero. If the amount of the credit or credits  
7 exceeds the total payments due under this Section with respect  
8 to amounts withheld during the quarterly reporting period, the  
9 excess may be carried forward and applied against the  
10 taxpayer's liability under this Section in the succeeding  
11 quarterly reporting period as allowed to be carried forward  
12 under paragraph (4) of Section 211 of this Act. The credit or  
13 credits shall be applied to the earliest quarterly reporting  
14 period for which there is a tax liability. If there are credits  
15 from more than one quarterly reporting period that are  
16 available to offset a liability, the earlier credit shall be  
17 applied first. Each employer who deducts and withholds or is  
18 required to deduct and withhold tax under this Act and who  
19 retains income tax withholdings this subsection must make a  
20 return with respect to such taxes and retained amounts in the  
21 form and manner that the Department, by rule, requires and pay  
22 to the Department or to a depository designated by the  
23 Department those withheld taxes not retained by the taxpayer.  
24 For purposes of this subsection (g-1), the term taxpayer shall  
25 include taxpayer and members of the taxpayer's unitary  
26 business group as defined under paragraph (27) of subsection

1 (a) of Section 1501 of this Act. This Section is exempt from  
2 the provisions of Section 250 of this Act.

3 (h) An employer may claim a credit against payments due  
4 under this Section for amounts withheld during the first  
5 calendar year ending after the date on which a tax credit  
6 certificate was issued under Section 35 of the Small Business  
7 Job Creation Tax Credit Act. The credit shall be equal to the  
8 amount shown on the certificate, but may not reduce the  
9 taxpayer's obligation for any payment due under this Section  
10 to less than zero. If the amount of the credit exceeds the  
11 total payments due under this Section with respect to amounts  
12 withheld during the calendar year, the excess may be carried  
13 forward and applied against the taxpayer's liability under  
14 this Section in the 5 succeeding calendar years. The credit  
15 shall be applied to the earliest year for which there is a tax  
16 liability. If there are credits from more than one calendar  
17 year that are available to offset a liability, the earlier  
18 credit shall be applied first. This Section is exempt from the  
19 provisions of Section 250 of this Act.

20 (i) Each employer with 50 or fewer full-time equivalent  
21 employees during the reporting period may claim a credit  
22 against the payments due under this Section for each qualified  
23 employee in an amount equal to the maximum credit allowable.  
24 The credit may be taken against payments due for reporting  
25 periods that begin on or after January 1, 2020, and end on or  
26 before December 31, 2027. An employer may not claim a credit

1 for an employee who has worked fewer than 90 consecutive days  
2 immediately preceding the reporting period; however, such  
3 credits may accrue during that 90-day period and be claimed  
4 against payments under this Section for future reporting  
5 periods after the employee has worked for the employer at  
6 least 90 consecutive days. In no event may the credit exceed  
7 the employer's liability for the reporting period. Each  
8 employer who deducts and withholds or is required to deduct  
9 and withhold tax under this Act and who retains income tax  
10 withholdings under this subsection must make a return with  
11 respect to such taxes and retained amounts in the form and  
12 manner that the Department, by rule, requires and pay to the  
13 Department or to a depository designated by the Department  
14 those withheld taxes not retained by the employer.

15 For each reporting period, the employer may not claim a  
16 credit or credits for more employees than the number of  
17 employees making less than the minimum or reduced wage for the  
18 current calendar year during the last reporting period of the  
19 preceding calendar year. Notwithstanding any other provision  
20 of this subsection, an employer shall not be eligible for  
21 credits for a reporting period unless the average wage paid by  
22 the employer per employee for all employees making less than  
23 \$55,000 during the reporting period is greater than the  
24 average wage paid by the employer per employee for all  
25 employees making less than \$55,000 during the same reporting  
26 period of the prior calendar year.



1 For purposes of this subsection (i):

2 "Compensation paid in Illinois" has the meaning ascribed  
3 to that term under Section 304(a)(2)(B) of this Act.

4 "Employer" and "employee" have the meaning ascribed to  
5 those terms in the Minimum Wage Law, except that "employee"  
6 also includes employees who work for an employer with fewer  
7 than 4 employees. Employers that operate more than one  
8 establishment pursuant to a franchise agreement or that  
9 constitute members of a unitary business group shall aggregate  
10 their employees for purposes of determining eligibility for  
11 the credit.

12 "Full-time equivalent employees" means the ratio of the  
13 number of paid hours during the reporting period and the  
14 number of working hours in that period.

15 "Maximum credit" means the percentage listed below of the  
16 difference between the amount of compensation paid in Illinois  
17 to employees who are paid not more than the required minimum  
18 wage reduced by the amount of compensation paid in Illinois to  
19 employees who were paid less than the current required minimum  
20 wage during the reporting period prior to each increase in the  
21 required minimum wage on January 1. If an employer pays an  
22 employee more than the required minimum wage and that employee  
23 previously earned less than the required minimum wage, the  
24 employer may include the portion that does not exceed the  
25 required minimum wage as compensation paid in Illinois to  
26 employees who are paid not more than the required minimum

1 wage.

2 (1) 25% for reporting periods beginning on or after  
3 January 1, 2020 and ending on or before December 31, 2020;

4 (2) 21% for reporting periods beginning on or after  
5 January 1, 2021 and ending on or before December 31, 2021;

6 (3) 17% for reporting periods beginning on or after  
7 January 1, 2022 and ending on or before December 31, 2022;

8 (4) 13% for reporting periods beginning on or after  
9 January 1, 2023 and ending on or before December 31, 2023;

10 (5) 9% for reporting periods beginning on or after  
11 January 1, 2024 and ending on or before December 31, 2024;

12 (6) 5% for reporting periods beginning on or after  
13 January 1, 2025 and ending on or before December 31, 2025.

14 The amount computed under this subsection may continue to  
15 be claimed for reporting periods beginning on or after January  
16 1, 2026 and:

17 (A) ending on or before December 31, 2026 for  
18 employers with more than 5 employees; or

19 (B) ending on or before December 31, 2027 for  
20 employers with no more than 5 employees.

21 "Qualified employee" means an employee who is paid not  
22 more than the required minimum wage and has an average wage  
23 paid per hour by the employer during the reporting period  
24 equal to or greater than his or her average wage paid per hour  
25 by the employer during each reporting period for the  
26 immediately preceding 12 months. A new qualified employee is

1 deemed to have earned the required minimum wage in the  
2 preceding reporting period.

3 "Reporting period" means the quarter for which a return is  
4 required to be filed under subsection (b) of this Section.

5 (j) For reporting periods beginning on or after January 1,  
6 2023, if a private employer grants all of its employees the  
7 option of taking a paid leave of absence of at least 30 days  
8 for the purpose of serving as an organ donor or bone marrow  
9 donor, then the private employer may take a credit against the  
10 payments due under this Section in an amount equal to the  
11 amount withheld under this Section with respect to wages paid  
12 while the employee is on organ donation leave, not to exceed  
13 \$1,000 in withholdings for each employee who takes organ  
14 donation leave. To be eligible for the credit, such a leave of  
15 absence must be taken without loss of pay, vacation time,  
16 compensatory time, personal days, or sick time for at least  
17 the first 30 days of the leave of absence. The private employer  
18 shall adopt rules governing organ donation leave, including  
19 rules that (i) establish conditions and procedures for  
20 requesting and approving leave and (ii) require medical  
21 documentation of the proposed organ or bone marrow donation  
22 before leave is approved by the private employer. A private  
23 employer must provide, in the manner required by the  
24 Department, documentation from the employee's medical  
25 provider, which the private employer receives from the  
26 employee, that verifies the employee's organ donation. The

1 private employer must also provide, in the manner required by  
2 the Department, documentation that shows that a qualifying  
3 organ donor leave policy was in place and offered to all  
4 qualifying employees at the time the leave was taken. For the  
5 private employer to receive the tax credit, the employee  
6 taking organ donor leave must allow for the applicable medical  
7 records to be disclosed to the Department. If the private  
8 employer cannot provide the required documentation to the  
9 Department, then the private employer is ineligible for the  
10 credit under this Section. A private employer must also  
11 provide, in the form required by the Department, any  
12 additional documentation or information required by the  
13 Department to administer the credit under this Section. The  
14 credit under this subsection (j) shall be taken within one  
15 year after the date upon which the organ donation leave  
16 begins. If the leave taken spans into a second tax year, the  
17 employer qualifies for the allowable credit in the later of  
18 the 2 years. If the amount of credit exceeds the tax liability  
19 for the year, the excess may be carried and applied to the tax  
20 liability for the 3 taxable years following the excess credit  
21 year. The tax credit shall be applied to the earliest year for  
22 which there is a tax liability. If there are credits for more  
23 than one year that are available to offset liability, the  
24 earlier credit shall be applied first.

25 Nothing in this subsection (j) prohibits a private  
26 employer from providing an unpaid leave of absence to its

1 employees for the purpose of serving as an organ donor or bone  
2 marrow donor; however, if the employer's policy provides for  
3 fewer than 30 days of paid leave for organ or bone marrow  
4 donation, then the employer shall not be eligible for the  
5 credit under this Section.

6 As used in this subsection (j):

7 "Organ" means any biological tissue of the human body  
8 that may be donated by a living donor, including, but not  
9 limited to, the kidney, liver, lung, pancreas, intestine,  
10 bone, skin, or any subpart of those organs.

11 "Organ donor" means a person from whose body an organ  
12 is taken to be transferred to the body of another person.

13 "Private employer" means a sole proprietorship,  
14 corporation, partnership, limited liability company, or  
15 other entity with one or more employees. "Private  
16 employer" does not include a municipality, county, State  
17 agency, or other public employer.

18 This subsection (j) is exempt from the provisions of  
19 Section 250 of this Act.

20 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21.)

21 ARTICLE 40. TAX REBATES

22 Section 40-3. The Illinois Administrative Procedure Act is  
23 amended by adding Section 5-45.21 as follows:

1 (5 ILCS 100/5-45.21 new)

2 Sec. 5-45.21. Emergency rulemaking. To provide for the  
3 expeditious and timely implementation of this amendatory Act  
4 of the 102nd General Assembly, emergency rules implementing  
5 Sections 208.5 and 212.1 of the Illinois Income Tax Act may be  
6 adopted in accordance with Section 5-45 by the Department of  
7 Revenue. The adoption of emergency rules authorized by Section  
8 5-45 and this Section is deemed to be necessary for the public  
9 interest, safety, and welfare.

10 This Section is repealed one year after the effective date  
11 of this amendatory Act of the 102nd General Assembly.

12 Section 40-5. The State Finance Act is amended by changing  
13 Section 8g-1 as follows:

14 (30 ILCS 105/8g-1)

15 Sec. 8g-1. Fund transfers.

16 (a) (Blank).

17 (b) (Blank).

18 (c) (Blank).

19 (d) (Blank).

20 (e) (Blank).

21 (f) (Blank).

22 (g) (Blank).

23 (h) (Blank).

24 (i) (Blank).

1 (j) (Blank).

2 (k) (Blank).

3 (l) (Blank).

4 (m) (Blank).

5 (n) (Blank).

6 (o) (Blank).

7 (p) (Blank).

8 (q) (Blank).

9 (r) (Blank).

10 (s) (Blank).

11 (t) (Blank).

12 (u) In addition to any other transfers that may be  
13 provided for by law, on July 1, 2021, or as soon thereafter as  
14 practical, only as directed by the Director of the Governor's  
15 Office of Management and Budget, the State Comptroller shall  
16 direct and the State Treasurer shall transfer the sum of  
17 \$5,000,000 from the General Revenue Fund to the DoIT Special  
18 Projects Fund, and on June 1, 2022, or as soon thereafter as  
19 practical, but no later than June 30, 2022, the State  
20 Comptroller shall direct and the State Treasurer shall  
21 transfer the sum so transferred from the DoIT Special Projects  
22 Fund to the General Revenue Fund.

23 (v) In addition to any other transfers that may be  
24 provided for by law, on July 1, 2021, or as soon thereafter as  
25 practical, the State Comptroller shall direct and the State  
26 Treasurer shall transfer the sum of \$500,000 from the General

1 Revenue Fund to the Governor's Administrative Fund.

2 (w) In addition to any other transfers that may be  
3 provided for by law, on July 1, 2021, or as soon thereafter as  
4 practical, the State Comptroller shall direct and the State  
5 Treasurer shall transfer the sum of \$500,000 from the General  
6 Revenue Fund to the Grant Accountability and Transparency  
7 Fund.

8 (x) In addition to any other transfers that may be  
9 provided for by law, at a time or times during Fiscal Year 2022  
10 as directed by the Governor, the State Comptroller shall  
11 direct and the State Treasurer shall transfer up to a total of  
12 \$20,000,000 from the General Revenue Fund to the Illinois  
13 Sports Facilities Fund to be credited to the Advance Account  
14 within the Fund.

15 (y) In addition to any other transfers that may be  
16 provided for by law, on June 15, 2021, or as soon thereafter as  
17 practical, but no later than June 30, 2021, the State  
18 Comptroller shall direct and the State Treasurer shall  
19 transfer the sum of \$100,000,000 from the General Revenue Fund  
20 to the Technology Management Revolving Fund.

21 (z) In addition to any other transfers that may be  
22 provided by law, on the effective date of this amendatory Act  
23 of the 102nd General Assembly, or as soon thereafter as  
24 practical, but no later than June 30, 2022, the State  
25 Comptroller shall direct and the State Treasurer shall  
26 transfer the sum of \$685,000,000 from the General Revenue Fund



1 to the Income Tax Refund Fund. Moneys from this transfer shall  
2 be used for the purpose of making the one-time rebate payments  
3 provided under Section 212.1 of the Illinois Income Tax Act.

4 (aa) In addition to any other transfers that may be  
5 provided by law, beginning on the effective date of this  
6 amendatory Act of the 102nd General Assembly and until  
7 December 31, 2023, at the direction of the Department of  
8 Revenue, the State Comptroller shall direct and the State  
9 Treasurer shall transfer from the General Revenue Fund to the  
10 Income Tax Refund Fund any amounts needed beyond the amounts  
11 transferred in subsection (z) to make payments of the one-time  
12 rebate payments provided under Section 212.1 of the Illinois  
13 Income Tax Act.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;  
15 102-16, eff. 6-17-21.)

16 Section 40-10. The Illinois Income Tax Act is amended by  
17 changing Section 901 and by adding Sections 208.5 and 212.1 as  
18 follows:

19 (35 ILCS 5/208.5 new)

20 Sec. 208.5. Residential real estate tax rebate.

21 (a) The Department shall pay a one-time rebate to every  
22 individual taxpayer who files with the Department, on or  
23 before October 17, 2022, an Illinois income tax return for tax  
24 year 2021 and who qualifies, in that tax year, under rules

1 adopted by the Department, for the income tax credit provided  
2 under Section 208 of this Act. The amount of the one-time  
3 rebate provided under this Section shall be the lesser of: (1)  
4 the amount of the credit provided under Section 208 for tax  
5 year 2021, including any amounts that would otherwise reduce a  
6 taxpayer's liability to less than zero, or (2) \$300 per  
7 principal residence. The Department shall develop a process to  
8 claim a rebate for taxpayers who otherwise would be eligible  
9 for the rebate under this Section but who did not have an  
10 obligation to file a 2021 Illinois income tax return because  
11 their exemption allowance exceeded their Illinois base income.

12 (b) On the effective date of this amendatory Act of the  
13 102nd General Assembly, or as soon thereafter as practical,  
14 but no later than June 30, 2022, the State Comptroller shall  
15 direct and the State Treasurer shall transfer the sum of  
16 \$470,000,000 from the General Revenue Fund to the Income Tax  
17 Refund Fund.

18 (c) On July 1, 2022, or as soon thereafter as practical,  
19 the State Comptroller shall direct and the State Treasurer  
20 shall transfer the sum of \$50,000,000 from the General Revenue  
21 Fund to the Income Tax Refund Fund.

22 (d) In addition to any other transfers that may be  
23 provided for by law, beginning on the effective date of this  
24 amendatory Act of the 102nd General Assembly and until June  
25 30, 2023, the Director may certify additional transfer amounts  
26 needed beyond the amounts specified in subsections (b) and

1 (c). The State Comptroller shall direct and the State  
2 Treasurer shall transfer the amounts certified by the Director  
3 from the General Revenue Fund to the Income Tax Refund Fund.

4 (e) The one-time rebate payments provided under this  
5 Section shall be paid from the Income Tax Refund Fund.

6 (f) Beginning on July 5, 2022, the Department shall  
7 certify to the Comptroller the names of the taxpayers who are  
8 eligible for a one-time rebate under this Section, the amounts  
9 of those rebates, and any other information that the  
10 Comptroller requires to direct the payment of the rebates  
11 provided under this Section to taxpayers.

12 (g) The amount of a rebate under this Section shall not be  
13 included in the taxpayer's income or resources for the  
14 purposes of determining eligibility or benefit level in any  
15 means-tested benefit program administered by a governmental  
16 entity unless required by federal law.

17 (h) Notwithstanding any other law to the contrary, the  
18 rebates shall not be subject to offset by the Comptroller  
19 against any liability owed either to the State or to any unit  
20 of local government.

21 (i) This Section is repealed on January 1, 2024.

22 (35 ILCS 5/212.1 new)

23 Sec. 212.1. Individual income tax rebates.

24 (a) Each taxpayer who files an individual income tax  
25 return under this Act, on or before October 17, 2022, for the

1 taxable year that began on January 1, 2021 and whose adjusted  
2 gross income for the taxable year is less than (i) \$400,000, in  
3 the case of spouses filing a joint federal tax return, or (ii)  
4 \$200,000, in the case of all other taxpayers, is entitled to a  
5 one-time rebate under this Section. The amount of the rebate  
6 shall be \$50 for single filers and \$100 for spouses filing a  
7 joint return, plus an additional \$100 for each person who is  
8 claimed as a dependent, up to 3 dependents, on the taxpayer's  
9 federal income tax return for the taxable year that began on  
10 January 1, 2021. A taxpayer who files an individual income tax  
11 return under this Act for the taxable year that began on  
12 January 1, 2021, and who is claimed as a dependent on another  
13 individual's return for that year, is ineligible for the  
14 rebate provided under this Section. Spouses who qualify for a  
15 rebate under this Section and who file a joint return shall be  
16 treated as a single taxpayer for the purposes of the rebate  
17 under this Section. For a part-year resident, the amount of  
18 the rebate under this Section shall be in proportion to the  
19 amount of the taxpayer's income that is attributable to this  
20 State for the taxable year that began on January 1, 2021.  
21 Taxpayers who were non-residents for the taxable year that  
22 began on January 1, 2021 are not entitled to a rebate under  
23 this Section.

24 (b) Beginning on July 5, 2022, the Department shall  
25 certify to the Comptroller the names of the taxpayers who are  
26 eligible for a one-time rebate under this Section, the amounts

1 of those rebates, and any other information that the  
2 Comptroller requires to direct the payment of the rebates  
3 provided under this Section to taxpayers.

4 (c) If a taxpayer files an amended return indicating that  
5 the taxpayer is entitled to a rebate under this Section that  
6 the taxpayer did not receive, or indicating that the taxpayer  
7 did not receive the full rebate amount to which the taxpayer is  
8 entitled, then the rebate shall be processed in the same  
9 manner as a claim for refund under Article 9. If the taxpayer  
10 files an amended return indicating that the taxpayer received  
11 a rebate under this Section to which the taxpayer is not  
12 entitled, then the Department shall issue a notice of  
13 deficiency as provided in Article 9.

14 (d) The Department shall make the rebate payments  
15 authorized by this Section from the Income Tax Refund Fund.

16 (e) The amount of a rebate under this Section shall not be  
17 included in the taxpayer's income or resources for the  
18 purposes of determining eligibility or benefit level in any  
19 means-tested benefit program administered by a governmental  
20 entity unless required by federal law.

21 (f) Nothing in this Section prevents a taxpayer from  
22 receiving the earned income tax credit and the rebate under  
23 this Section for the same taxable year.

24 (g) Notwithstanding any other law to the contrary, the  
25 rebates shall not be subject to offset by the Comptroller  
26 against any liability owed either to the State or to any unit

1 of local government.

2 (h) The Department shall adopt rules for the  
3 implementation of this Section, including emergency rules  
4 under Section 5-45.21 of the Illinois Administrative Procedure  
5 Act.

6 (i) This Section is repealed one year after the effective  
7 date of this amendatory Act of the 102nd General Assembly.

8 (35 ILCS 5/901)

9 Sec. 901. Collection authority.

10 (a) In general. The Department shall collect the taxes  
11 imposed by this Act. The Department shall collect certified  
12 past due child support amounts under Section 2505-650 of the  
13 Department of Revenue Law of the Civil Administrative Code of  
14 Illinois. Except as provided in subsections (b), (c), (e),  
15 (f), (g), and (h) of this Section, money collected pursuant to  
16 subsections (a) and (b) of Section 201 of this Act shall be  
17 paid into the General Revenue Fund in the State treasury;  
18 money collected pursuant to subsections (c) and (d) of Section  
19 201 of this Act shall be paid into the Personal Property Tax  
20 Replacement Fund, a special fund in the State Treasury; and  
21 money collected under Section 2505-650 of the Department of  
22 Revenue Law of the Civil Administrative Code of Illinois shall  
23 be paid into the Child Support Enforcement Trust Fund, a  
24 special fund outside the State Treasury, or to the State  
25 Disbursement Unit established under Section 10-26 of the

1 Illinois Public Aid Code, as directed by the Department of  
2 Healthcare and Family Services.

3 (b) Local Government Distributive Fund. Beginning August  
4 1, 2017, the Treasurer shall transfer each month from the  
5 General Revenue Fund to the Local Government Distributive Fund  
6 an amount equal to the sum of: (i) 6.06% (10% of the ratio of  
7 the 3% individual income tax rate prior to 2011 to the 4.95%  
8 individual income tax rate after July 1, 2017) of the net  
9 revenue realized from the tax imposed by subsections (a) and  
10 (b) of Section 201 of this Act upon individuals, trusts, and  
11 estates during the preceding month; (ii) 6.85% (10% of the  
12 ratio of the 4.8% corporate income tax rate prior to 2011 to  
13 the 7% corporate income tax rate after July 1, 2017) of the net  
14 revenue realized from the tax imposed by subsections (a) and  
15 (b) of Section 201 of this Act upon corporations during the  
16 preceding month; and (iii) beginning February 1, 2022, 6.06%  
17 of the net revenue realized from the tax imposed by subsection  
18 (p) of Section 201 of this Act upon electing pass-through  
19 entities. Net revenue realized for a month shall be defined as  
20 the revenue from the tax imposed by subsections (a) and (b) of  
21 Section 201 of this Act which is deposited in the General  
22 Revenue Fund, the Education Assistance Fund, the Income Tax  
23 Surcharge Local Government Distributive Fund, the Fund for the  
24 Advancement of Education, and the Commitment to Human Services  
25 Fund during the month minus the amount paid out of the General  
26 Revenue Fund in State warrants during that same month as

1 refunds to taxpayers for overpayment of liability under the  
2 tax imposed by subsections (a) and (b) of Section 201 of this  
3 Act.

4 Notwithstanding any provision of law to the contrary,  
5 beginning on July 6, 2017 (the effective date of Public Act  
6 100-23), those amounts required under this subsection (b) to  
7 be transferred by the Treasurer into the Local Government  
8 Distributive Fund from the General Revenue Fund shall be  
9 directly deposited into the Local Government Distributive Fund  
10 as the revenue is realized from the tax imposed by subsections  
11 (a) and (b) of Section 201 of this Act.

12 (c) Deposits Into Income Tax Refund Fund.

13 (1) Beginning on January 1, 1989 and thereafter, the  
14 Department shall deposit a percentage of the amounts  
15 collected pursuant to subsections (a) and (b)(1), (2), and  
16 (3) of Section 201 of this Act into a fund in the State  
17 treasury known as the Income Tax Refund Fund. Beginning  
18 with State fiscal year 1990 and for each fiscal year  
19 thereafter, the percentage deposited into the Income Tax  
20 Refund Fund during a fiscal year shall be the Annual  
21 Percentage. For fiscal year 2011, the Annual Percentage  
22 shall be 8.75%. For fiscal year 2012, the Annual  
23 Percentage shall be 8.75%. For fiscal year 2013, the  
24 Annual Percentage shall be 9.75%. For fiscal year 2014,  
25 the Annual Percentage shall be 9.5%. For fiscal year 2015,  
26 the Annual Percentage shall be 10%. For fiscal year 2018,



1 the Annual Percentage shall be 9.8%. For fiscal year 2019,  
2 the Annual Percentage shall be 9.7%. For fiscal year 2020,  
3 the Annual Percentage shall be 9.5%. For fiscal year 2021,  
4 the Annual Percentage shall be 9%. For fiscal year 2022,  
5 the Annual Percentage shall be 9.25%. For all other fiscal  
6 years, the Annual Percentage shall be calculated as a  
7 fraction, the numerator of which shall be the amount of  
8 refunds approved for payment by the Department during the  
9 preceding fiscal year as a result of overpayment of tax  
10 liability under subsections (a) and (b) (1), (2), and (3)  
11 of Section 201 of this Act plus the amount of such refunds  
12 remaining approved but unpaid at the end of the preceding  
13 fiscal year, minus the amounts transferred into the Income  
14 Tax Refund Fund from the Tobacco Settlement Recovery Fund,  
15 and the denominator of which shall be the amounts which  
16 will be collected pursuant to subsections (a) and (b) (1),  
17 (2), and (3) of Section 201 of this Act during the  
18 preceding fiscal year; except that in State fiscal year  
19 2002, the Annual Percentage shall in no event exceed 7.6%.  
20 The Director of Revenue shall certify the Annual  
21 Percentage to the Comptroller on the last business day of  
22 the fiscal year immediately preceding the fiscal year for  
23 which it is to be effective.

24 (2) Beginning on January 1, 1989 and thereafter, the  
25 Department shall deposit a percentage of the amounts  
26 collected pursuant to subsections (a) and (b) (6), (7), and

1 (8), (c) and (d) of Section 201 of this Act into a fund in  
2 the State treasury known as the Income Tax Refund Fund.  
3 Beginning with State fiscal year 1990 and for each fiscal  
4 year thereafter, the percentage deposited into the Income  
5 Tax Refund Fund during a fiscal year shall be the Annual  
6 Percentage. For fiscal year 2011, the Annual Percentage  
7 shall be 17.5%. For fiscal year 2012, the Annual  
8 Percentage shall be 17.5%. For fiscal year 2013, the  
9 Annual Percentage shall be 14%. For fiscal year 2014, the  
10 Annual Percentage shall be 13.4%. For fiscal year 2015,  
11 the Annual Percentage shall be 14%. For fiscal year 2018,  
12 the Annual Percentage shall be 17.5%. For fiscal year  
13 2019, the Annual Percentage shall be 15.5%. For fiscal  
14 year 2020, the Annual Percentage shall be 14.25%. For  
15 fiscal year 2021, the Annual Percentage shall be 14%. For  
16 fiscal year 2022, the Annual Percentage shall be 15%. For  
17 all other fiscal years, the Annual Percentage shall be  
18 calculated as a fraction, the numerator of which shall be  
19 the amount of refunds approved for payment by the  
20 Department during the preceding fiscal year as a result of  
21 overpayment of tax liability under subsections (a) and  
22 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
23 Act plus the amount of such refunds remaining approved but  
24 unpaid at the end of the preceding fiscal year, and the  
25 denominator of which shall be the amounts which will be  
26 collected pursuant to subsections (a) and (b) (6), (7), and

1 (8), (c) and (d) of Section 201 of this Act during the  
2 preceding fiscal year; except that in State fiscal year  
3 2002, the Annual Percentage shall in no event exceed 23%.  
4 The Director of Revenue shall certify the Annual  
5 Percentage to the Comptroller on the last business day of  
6 the fiscal year immediately preceding the fiscal year for  
7 which it is to be effective.

8 (3) The Comptroller shall order transferred and the  
9 Treasurer shall transfer from the Tobacco Settlement  
10 Recovery Fund to the Income Tax Refund Fund (i)  
11 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,  
12 2002, and (iii) \$35,000,000 in January, 2003.

13 (d) Expenditures from Income Tax Refund Fund.

14 (1) Beginning January 1, 1989, money in the Income Tax  
15 Refund Fund shall be expended exclusively for the purpose  
16 of paying refunds resulting from overpayment of tax  
17 liability under Section 201 of this Act and for making  
18 transfers pursuant to this subsection (d), except that in  
19 State fiscal years 2022 and 2023, moneys in the Income Tax  
20 Refund Fund shall also be used to pay one-time rebate  
21 payments as provided under Sections 208.5 and 212.1.

22 (2) The Director shall order payment of refunds  
23 resulting from overpayment of tax liability under Section  
24 201 of this Act from the Income Tax Refund Fund only to the  
25 extent that amounts collected pursuant to Section 201 of  
26 this Act and transfers pursuant to this subsection (d) and

1 item (3) of subsection (c) have been deposited and  
2 retained in the Fund.

3 (3) As soon as possible after the end of each fiscal  
4 year, the Director shall order transferred and the State  
5 Treasurer and State Comptroller shall transfer from the  
6 Income Tax Refund Fund to the Personal Property Tax  
7 Replacement Fund an amount, certified by the Director to  
8 the Comptroller, equal to the excess of the amount  
9 collected pursuant to subsections (c) and (d) of Section  
10 201 of this Act deposited into the Income Tax Refund Fund  
11 during the fiscal year over the amount of refunds  
12 resulting from overpayment of tax liability under  
13 subsections (c) and (d) of Section 201 of this Act paid  
14 from the Income Tax Refund Fund during the fiscal year.

15 (4) As soon as possible after the end of each fiscal  
16 year, the Director shall order transferred and the State  
17 Treasurer and State Comptroller shall transfer from the  
18 Personal Property Tax Replacement Fund to the Income Tax  
19 Refund Fund an amount, certified by the Director to the  
20 Comptroller, equal to the excess of the amount of refunds  
21 resulting from overpayment of tax liability under  
22 subsections (c) and (d) of Section 201 of this Act paid  
23 from the Income Tax Refund Fund during the fiscal year  
24 over the amount collected pursuant to subsections (c) and  
25 (d) of Section 201 of this Act deposited into the Income  
26 Tax Refund Fund during the fiscal year.

1           (4.5) As soon as possible after the end of fiscal year  
2           1999 and of each fiscal year thereafter, the Director  
3           shall order transferred and the State Treasurer and State  
4           Comptroller shall transfer from the Income Tax Refund Fund  
5           to the General Revenue Fund any surplus remaining in the  
6           Income Tax Refund Fund as of the end of such fiscal year;  
7           excluding for fiscal years 2000, 2001, and 2002 amounts  
8           attributable to transfers under item (3) of subsection (c)  
9           less refunds resulting from the earned income tax credit,  
10          and excluding for fiscal year 2022 amounts attributable to  
11          transfers from the General Revenue Fund authorized by this  
12          amendatory Act of the 102nd General Assembly.

13           (5) This Act shall constitute an irrevocable and  
14           continuing appropriation from the Income Tax Refund Fund  
15           for the purposes ~~purpose~~ of (i) paying refunds upon the  
16           order of the Director in accordance with the provisions of  
17           this Section and (ii) paying one-time rebate payments  
18           under Sections 208.5 and 212.1.

19           (e) Deposits into the Education Assistance Fund and the  
20           Income Tax Surcharge Local Government Distributive Fund. On  
21           July 1, 1991, and thereafter, of the amounts collected  
22           pursuant to subsections (a) and (b) of Section 201 of this Act,  
23           minus deposits into the Income Tax Refund Fund, the Department  
24           shall deposit 7.3% into the Education Assistance Fund in the  
25           State Treasury. Beginning July 1, 1991, and continuing through  
26           January 31, 1993, of the amounts collected pursuant to

1 subsections (a) and (b) of Section 201 of the Illinois Income  
2 Tax Act, minus deposits into the Income Tax Refund Fund, the  
3 Department shall deposit 3.0% into the Income Tax Surcharge  
4 Local Government Distributive Fund in the State Treasury.  
5 Beginning February 1, 1993 and continuing through June 30,  
6 1993, of the amounts collected pursuant to subsections (a) and  
7 (b) of Section 201 of the Illinois Income Tax Act, minus  
8 deposits into the Income Tax Refund Fund, the Department shall  
9 deposit 4.4% into the Income Tax Surcharge Local Government  
10 Distributive Fund in the State Treasury. Beginning July 1,  
11 1993, and continuing through June 30, 1994, of the amounts  
12 collected under subsections (a) and (b) of Section 201 of this  
13 Act, minus deposits into the Income Tax Refund Fund, the  
14 Department shall deposit 1.475% into the Income Tax Surcharge  
15 Local Government Distributive Fund in the State Treasury.

16 (f) Deposits into the Fund for the Advancement of  
17 Education. Beginning February 1, 2015, the Department shall  
18 deposit the following portions of the revenue realized from  
19 the tax imposed upon individuals, trusts, and estates by  
20 subsections (a) and (b) of Section 201 of this Act, minus  
21 deposits into the Income Tax Refund Fund, into the Fund for the  
22 Advancement of Education:

23 (1) beginning February 1, 2015, and prior to February  
24 1, 2025, 1/30; and

25 (2) beginning February 1, 2025, 1/26.

26 If the rate of tax imposed by subsection (a) and (b) of

1 Section 201 is reduced pursuant to Section 201.5 of this Act,  
2 the Department shall not make the deposits required by this  
3 subsection (f) on or after the effective date of the  
4 reduction.

5 (g) Deposits into the Commitment to Human Services Fund.  
6 Beginning February 1, 2015, the Department shall deposit the  
7 following portions of the revenue realized from the tax  
8 imposed upon individuals, trusts, and estates by subsections  
9 (a) and (b) of Section 201 of this Act, minus deposits into the  
10 Income Tax Refund Fund, into the Commitment to Human Services  
11 Fund:

12 (1) beginning February 1, 2015, and prior to February  
13 1, 2025, 1/30; and

14 (2) beginning February 1, 2025, 1/26.

15 If the rate of tax imposed by subsection (a) and (b) of  
16 Section 201 is reduced pursuant to Section 201.5 of this Act,  
17 the Department shall not make the deposits required by this  
18 subsection (g) on or after the effective date of the  
19 reduction.

20 (h) Deposits into the Tax Compliance and Administration  
21 Fund. Beginning on the first day of the first calendar month to  
22 occur on or after August 26, 2014 (the effective date of Public  
23 Act 98-1098), each month the Department shall pay into the Tax  
24 Compliance and Administration Fund, to be used, subject to  
25 appropriation, to fund additional auditors and compliance  
26 personnel at the Department, an amount equal to 1/12 of 5% of

1 the cash receipts collected during the preceding fiscal year  
2 by the Audit Bureau of the Department from the tax imposed by  
3 subsections (a), (b), (c), and (d) of Section 201 of this Act,  
4 net of deposits into the Income Tax Refund Fund made from those  
5 cash receipts.

6 (Source: P.A. 101-8, see Section 99 for effective date;  
7 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff.  
8 6-10-20; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658,  
9 eff. 8-27-21; revised 10-19-21.)

10 ARTICLE 45. MOTOR FUEL

11 Section 45-3. The State Finance Act is amended by changing  
12 Section 6z-108 as follows:

13 (30 ILCS 105/6z-108)

14 Sec. 6z-108. Transportation Renewal Fund.

15 (a) The Transportation Renewal Fund is created as a  
16 special fund in the State treasury and shall receive Motor  
17 Fuel Tax revenues as directed by Sections 2a and ~~Section~~ 8b of  
18 the Motor Fuel Tax Law.

19 (b) Money in the Transportation Renewal Fund shall be used  
20 exclusively for transportation-related purposes as described  
21 in Section 11 of Article IX of the Illinois Constitution of  
22 1970.

23 (Source: P.A. 101-30, eff. 6-28-19.)



1 Section 45-5. The Motor Fuel Tax Law is amended by  
2 changing Sections 2, 8a, and 17 as follows:

3 (35 ILCS 505/2) (from Ch. 120, par. 418)

4 Sec. 2. A tax is imposed on the privilege of operating  
5 motor vehicles upon the public highways and recreational-type  
6 watercraft upon the waters of this State.

7 (a) Prior to August 1, 1989, the tax is imposed at the rate  
8 of 13 cents per gallon on all motor fuel used in motor vehicles  
9 operating on the public highways and recreational type  
10 watercraft operating upon the waters of this State. Beginning  
11 on August 1, 1989 and until January 1, 1990, the rate of the  
12 tax imposed in this paragraph shall be 16 cents per gallon.  
13 Beginning January 1, 1990 and until July 1, 2019, the rate of  
14 tax imposed in this paragraph, including the tax on compressed  
15 natural gas, shall be 19 cents per gallon. Beginning July 1,  
16 2019 and until July 1, 2020, the rate of tax imposed in this  
17 paragraph shall be 38 cents per gallon. Beginning July 1, 2020  
18 and until July 1, 2021, the rate of tax imposed in this  
19 paragraph shall be 38.7 cents per gallon. Beginning July 1,  
20 2021 and until January 1, 2023, the rate of tax imposed in this  
21 paragraph shall be 39.2 cents per gallon. On January 1, 2023,  
22 the rate of tax imposed in this paragraph shall be increased by  
23 an amount equal to the percentage increase, if any, in the  
24 Consumer Price Index for All Urban Consumers for all items

1 published by the United States Department of Labor for the 12  
2 months ending in September of 2022. On July 1, 2023, and on  
3 July 1 of each subsequent year, the rate of tax imposed in this  
4 paragraph shall be ~~and increased on July 1 of each subsequent~~  
5 ~~year~~ by an amount equal to the percentage increase, if any, in  
6 the Consumer Price Index for All Urban Consumers for all items  
7 published by the United States Department of Labor for the 12  
8 months ending in March of the year in which the increase takes  
9 place ~~each year~~. The rate shall be rounded to the nearest  
10 one-tenth of one cent.

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

25 (b) Until July 1, 2019, the tax on the privilege of  
26 operating motor vehicles which use diesel fuel, liquefied

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

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

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

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

26 (d) Except as provided in Section 2a, the collection of a

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

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

1 or (ii) a dispenser that is enclosed by a fence or other  
2 physical barrier so that a vehicle cannot pull alongside the  
3 dispenser to permit fueling.

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

8 (Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32,  
9 eff. 6-28-19; 101-604, eff. 12-13-19.)

10 (35 ILCS 505/8a) (from Ch. 120, par. 424a)

11 Sec. 8a. Deposit of proceeds. Until July 1, 2022 and  
12 beginning again on July 1, 2023, all ~~All~~ money received by the  
13 Department under Section 2a of this Act, except money received  
14 from taxes on aviation fuel sold or used on or after December  
15 1, 2019 and through December 31, 2020, shall be deposited in  
16 the Underground Storage Tank Fund ~~created by Section 57.11 of~~  
17 ~~the Environmental Protection Act, as now or hereafter amended.~~  
18 All money received by the Department under Section 2a of this  
19 Act for aviation fuel sold or used on or after December 1,  
20 2019, shall be deposited into the State Aviation Program Fund.  
21 This exception for aviation fuel only applies for so long as  
22 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
23 U.S.C. 47133 are binding on the State. For purposes of this  
24 Section, "aviation fuel" means jet fuel and aviation gasoline.  
25 Beginning on July 1, 2022 and through June 30, 2023, all money

1 received by the Department under Section 2a shall be deposited  
2 in the Transportation Renewal Fund.

3 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

4 (35 ILCS 505/17) (from Ch. 120, par. 433)

5 Sec. 17. It is the purpose of Sections 2 and 13a of this  
6 Act to impose a tax upon the privilege of operating each motor  
7 vehicle as defined in this Act upon the public highways and the  
8 waters of this State, such tax to be based upon the consumption  
9 of motor fuel in such motor vehicle, so far as the same may be  
10 done, under the Constitution and statutes of the United  
11 States, and the Constitution of the State of Illinois. It is  
12 the purpose of Section 2a of this Act to impose a tax upon the  
13 privilege of importing or receiving in this State fuel for  
14 sale or use, such tax to be used to fund the Underground  
15 Storage Tank Fund or the Transportation Renewal Fund. If any  
16 of the provisions of this Act include transactions which are  
17 not taxable or are in any other respect unconstitutional, it  
18 is the intent of the General Assembly that, so far as possible,  
19 the remaining provisions of the Act be given effect.

20 (Source: P.A. 86-125.)

21 Section 45-10. The Environmental Impact Fee Law is amended  
22 by changing Section 320 as follows:

23 (415 ILCS 125/320)

1 (Section scheduled to be repealed on January 1, 2025)

2 Sec. 320. Deposit of fee receipts. Except as otherwise  
3 provided in this paragraph, all money received by the  
4 Department under this Law shall be deposited in the  
5 Underground Storage Tank Fund ~~created by Section 57.11 of the~~  
6 ~~Environmental Protection Act~~. All money received for aviation  
7 fuel by the Department under this Law on or after December 1,  
8 2019 and ending with returns due on January 20, 2021, shall be  
9 immediately paid over by the Department to the State Aviation  
10 Program Fund. The Department shall only pay such moneys into  
11 the State Aviation Program Fund under this Act for so long as  
12 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
13 U.S.C. 47133 are binding on the State. For purposes of this  
14 Section, "aviation fuel" means jet fuel and aviation gasoline.  
15 Beginning July 1, 2022 and through June 30, 2023, all money  
16 received by the Department under this Law shall be deposited  
17 into the Transportation Renewal Fund.

18 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

19 ARTICLE 50. ELECTRIC VEHICLES

20 Section 50-5. The Reimagining Electric Vehicles in  
21 Illinois Act is amended by changing Sections 10 and 20 as  
22 follows:

23 (20 ILCS 686/10)

1           Sec. 10. Definitions. As used in this Act:

2           "Advanced battery" means a battery that consists of a  
3 battery cell that can be integrated into a module, pack, or  
4 system to be used in energy storage applications, including a  
5 battery used in an electric vehicle or the electric grid.

6           "Advanced battery component" means a component of an  
7 advanced battery, including materials, enhancements,  
8 enclosures, anodes, cathodes, electrolytes, cells, and other  
9 associated technologies that comprise an advanced battery.

10          "Agreement" means the agreement between a taxpayer and the  
11 Department under the provisions of Section 45 of this Act.

12          "Applicant" means a taxpayer that (i) operates a business  
13 in Illinois or is planning to locate a business within the  
14 State of Illinois and (ii) is engaged in interstate or  
15 intrastate commerce for the purpose of manufacturing electric  
16 vehicles, electric vehicle component parts, or electric  
17 vehicle power supply equipment. "Applicant" does not include a  
18 taxpayer who closes or substantially reduces by more than 50%  
19 operations at one location in the State and relocates  
20 substantially the same operation to another location in the  
21 State. This does not prohibit a Taxpayer from expanding its  
22 operations at another location in the State. This also does  
23 not prohibit a Taxpayer from moving its operations from one  
24 location in the State to another location in the State for the  
25 purpose of expanding the operation, provided that the  
26 Department determines that expansion cannot reasonably be



1 accommodated within the municipality or county in which the  
2 business is located, or, in the case of a business located in  
3 an incorporated area of the county, within the county in which  
4 the business is located, after conferring with the chief  
5 elected official of the municipality or county and taking into  
6 consideration any evidence offered by the municipality or  
7 county regarding the ability to accommodate expansion within  
8 the municipality or county.

9 "Battery raw materials" means the raw and processed form  
10 of a mineral, metal, chemical, or other material used in an  
11 advanced battery component.

12 "Battery raw materials refining service provider" means a  
13 business that operates a facility that filters, sifts, and  
14 treats battery raw materials for use in an advanced battery.

15 "Battery recycling and reuse manufacturer" means a  
16 manufacturer that is primarily engaged in the recovery,  
17 retrieval, processing, recycling, or recirculating of battery  
18 raw materials for new use in electric vehicle batteries.

19 "Capital improvements" means the purchase, renovation,  
20 rehabilitation, or construction of permanent tangible land,  
21 buildings, structures, equipment, and furnishings in an  
22 approved project sited in Illinois and expenditures for goods  
23 or services that are normally capitalized, including  
24 organizational costs and research and development costs  
25 incurred in Illinois. For land, buildings, structures, and  
26 equipment that are leased, the lease must equal or exceed the

1 term of the agreement, and the cost of the property shall be  
2 determined from the present value, using the corporate  
3 interest rate prevailing at the time of the application, of  
4 the lease payments.

5 "Credit" means either a "REV Illinois Credit" or a "REV  
6 Construction Jobs Credit" agreed to between the Department and  
7 applicant under this Act.

8 "Department" means the Department of Commerce and Economic  
9 Opportunity.

10 "Director" means the Director of Commerce and Economic  
11 Opportunity.

12 "Electric vehicle" means a vehicle that is exclusively  
13 powered by and refueled by electricity, including electricity  
14 generated through a hydrogen fuel cells or solar technology  
15 ~~must be plugged in to charge or utilize a pre-charged battery,~~  
16 ~~and is permitted to operate on public roadways.~~ "Electric  
17 vehicle" does not include hybrid electric vehicles, electric  
18 bicycles, or ~~and~~ extended-range electric vehicles that are  
19 also equipped with conventional fueled propulsion or auxiliary  
20 engines.

21 "Electric vehicle manufacturer" means a new or existing  
22 manufacturer that is primarily focused on reequipping,  
23 expanding, or establishing a manufacturing facility in  
24 Illinois that produces electric vehicles as defined in this  
25 Section.

26 "Electric vehicle component parts manufacturer" means a

1 new or existing manufacturer that is primarily focused on  
2 reequipping, expanding, or establishing a manufacturing  
3 facility in Illinois that produces advanced battery components  
4 or key components that directly support the electric functions  
5 of electric vehicles, as defined by this Section.

6 "Electric vehicle power supply equipment" means the  
7 equipment used specifically for the purpose of delivering  
8 electricity to an electric vehicle, including hydrogen fuel  
9 cells or solar refueling infrastructure.

10 "Electric vehicle power supply manufacturer" means a new  
11 or existing manufacturer that is focused on reequipping,  
12 expanding, or establishing a manufacturing facility in  
13 Illinois that produces electric vehicle power supply equipment  
14 used for the purpose of delivering electricity to an electric  
15 vehicle, including hydrogen fuel cell or solar refueling  
16 infrastructure.

17 "Energy Transition Area" means a county with less than  
18 100,000 people or a municipality that contains one or more of  
19 the following:

20 (1) a fossil fuel plant that was retired from service  
21 or has significant reduced service within 6 years before  
22 the time of the application or will be retired or have  
23 service significantly reduced within 6 years following the  
24 time of the application; or

25 (2) a coal mine that was closed or had operations  
26 significantly reduced within 6 years before the time of

1 the application or is anticipated to be closed or have  
2 operations significantly reduced within 6 years following  
3 the time of the application.

4 "Full-time employee" means an individual who is employed  
5 for consideration for at least 35 hours each week or who  
6 renders any other standard of service generally accepted by  
7 industry custom or practice as full-time employment. An  
8 individual for whom a W-2 is issued by a Professional Employer  
9 Organization (PEO) is a full-time employee if employed in the  
10 service of the applicant for consideration for at least 35  
11 hours each week.

12 "Incremental income tax" means the total amount withheld  
13 during the taxable year from the compensation of new employees  
14 and, if applicable, retained employees under Article 7 of the  
15 Illinois Income Tax Act arising from employment at a project  
16 that is the subject of an agreement.

17 "Institution of higher education" or "institution" means  
18 any accredited public or private university, college,  
19 community college, business, technical, or vocational school,  
20 or other accredited educational institution offering degrees  
21 and instruction beyond the secondary school level.

22 "Minority person" means a minority person as defined in  
23 the Business Enterprise for Minorities, Women, and Persons  
24 with Disabilities Act.

25 "New employee" means a newly-hired full-time employee  
26 employed to work at the project site and whose work is directly

1 related to the project.

2 "Noncompliance date" means, in the case of a taxpayer that  
3 is not complying with the requirements of the agreement or the  
4 provisions of this Act, the day following the last date upon  
5 which the taxpayer was in compliance with the requirements of  
6 the agreement and the provisions of this Act, as determined by  
7 the Director, pursuant to Section 70.

8 "Pass-through entity" means an entity that is exempt from  
9 the tax under subsection (b) or (c) of Section 205 of the  
10 Illinois Income Tax Act.

11 "Placed in service" means the state or condition of  
12 readiness, availability for a specifically assigned function,  
13 and the facility is constructed and ready to conduct its  
14 facility operations to manufacture goods.

15 "Professional employer organization" (PEO) means an  
16 employee leasing company, as defined in Section 206.1 of the  
17 Illinois Unemployment Insurance Act.

18 "Program" means the Reimagining Electric Vehicles in  
19 Illinois Program (the REV Illinois Program) established in  
20 this Act.

21 "Project" or "REV Illinois Project" means a for-profit  
22 economic development activity for the manufacture of electric  
23 vehicles, electric vehicle component parts, or electric  
24 vehicle power supply equipment which is designated by the  
25 Department as a REV Illinois Project and is the subject of an  
26 agreement.

1           "Recycling facility" means a location at which the  
2 taxpayer disposes of batteries and other component parts in  
3 manufacturing of electric vehicles, electric vehicle component  
4 parts, or electric vehicle power supply equipment.

5           "Related member" means a person that, with respect to the  
6 taxpayer during any portion of the taxable year, is any one of  
7 the following:

8           (1) An individual stockholder, if the stockholder and  
9 the members of the stockholder's family (as defined in  
10 Section 318 of the Internal Revenue Code) own directly,  
11 indirectly, beneficially, or constructively, in the  
12 aggregate, at least 50% of the value of the taxpayer's  
13 outstanding stock.

14           (2) A partnership, estate, trust and any partner or  
15 beneficiary, if the partnership, estate, or trust, and its  
16 partners or beneficiaries own directly, indirectly,  
17 beneficially, or constructively, in the aggregate, at  
18 least 50% of the profits, capital, stock, or value of the  
19 taxpayer.

20           (3) A corporation, and any party related to the  
21 corporation in a manner that would require an attribution  
22 of stock from the corporation under the attribution rules  
23 of Section 318 of the Internal Revenue Code, if the  
24 Taxpayer owns directly, indirectly, beneficially, or  
25 constructively at least 50% of the value of the  
26 corporation's outstanding stock.

1           (4) A corporation and any party related to that  
2 corporation in a manner that would require an attribution  
3 of stock from the corporation to the party or from the  
4 party to the corporation under the attribution rules of  
5 Section 318 of the Internal Revenue Code, if the  
6 corporation and all such related parties own in the  
7 aggregate at least 50% of the profits, capital, stock, or  
8 value of the taxpayer.

9           (5) A person to or from whom there is an attribution of  
10 stock ownership in accordance with Section 1563(e) of the  
11 Internal Revenue Code, except, for purposes of determining  
12 whether a person is a related member under this paragraph,  
13 20% shall be substituted for 5% wherever 5% appears in  
14 Section 1563(e) of the Internal Revenue Code.

15           "Retained employee" means a full-time employee employed by  
16 the taxpayer prior to the term of the Agreement who continues  
17 to be employed during the term of the agreement whose job  
18 duties are directly and substantially related to the project.  
19 For purposes of this definition, "directly and substantially  
20 related to the project" means at least two-thirds of the  
21 employee's job duties must be directly related to the project  
22 and the employee must devote at least two-thirds of his or her  
23 time to the project. The term "retained employee" does not  
24 include any individual who has a direct or an indirect  
25 ownership interest of at least 5% in the profits, equity,  
26 capital, or value of the taxpayer or a child, grandchild,

1 parent, or spouse, other than a spouse who is legally  
2 separated from the individual, of any individual who has a  
3 direct or indirect ownership of at least 5% in the profits,  
4 equity, capital, or value of the taxpayer.

5 "REV Illinois credit" means a credit agreed to between the  
6 Department and the applicant under this Act that is based on  
7 the incremental income tax attributable to new employees and,  
8 if applicable, retained employees, and on training costs for  
9 such employees at the applicant's project.

10 "REV construction jobs credit" means a credit agreed to  
11 between the Department and the applicant under this Act that  
12 is based on the incremental income tax attributable to  
13 construction wages paid in connection with construction of the  
14 project facilities.

15 "Statewide baseline" means the total number of full-time  
16 employees of the applicant and any related member employed by  
17 such entities at the time of application for incentives under  
18 this Act.

19 "Taxpayer" means an individual, corporation, partnership,  
20 or other entity that has a legal obligation to pay Illinois  
21 income taxes and file an Illinois income tax return.

22 "Training costs" means costs incurred to upgrade the  
23 technological skills of full-time employees in Illinois and  
24 includes: curriculum development; training materials  
25 (including scrap product costs); trainee domestic travel  
26 expenses; instructor costs (including wages, fringe benefits,



1 tuition and domestic travel expenses); rent, purchase or lease  
2 of training equipment; and other usual and customary training  
3 costs. "Training costs" do not include costs associated with  
4 travel outside the United States (unless the Taxpayer receives  
5 prior written approval for the travel by the Director based on  
6 a showing of substantial need or other proof the training is  
7 not reasonably available within the United States), wages and  
8 fringe benefits of employees during periods of training, or  
9 administrative cost related to full-time employees of the  
10 taxpayer.

11 "Underserved area" means any geographic areas as defined  
12 in Section 5-5 of the Economic Development for a Growing  
13 Economy Tax Credit Act.

14 (Source: P.A. 102-669, eff. 11-16-21.)

15 (20 ILCS 686/20)

16 Sec. 20. REV Illinois Program; project applications.

17 (a) The Reimagining Electric Vehicles in Illinois (REV  
18 Illinois) Program is hereby established and shall be  
19 administered by the Department. The Program will provide  
20 financial incentives to any one or more of the following: (1)  
21 eligible manufacturers of electric vehicles, electric vehicle  
22 component parts, and electric vehicle power supply equipment;  
23 (2) battery recycling and reuse manufacturers; or (3) battery  
24 raw materials refining service providers.

25 (b) Any taxpayer planning a project to be located in

1 Illinois may request consideration for designation of its  
2 project as a REV Illinois Project, by formal written letter of  
3 request or by formal application to the Department, in which  
4 the applicant states its intent to make at least a specified  
5 level of investment and intends to hire a specified number of  
6 full-time employees at a designated location in Illinois. As  
7 circumstances require, the Department shall require a formal  
8 application from an applicant and a formal letter of request  
9 for assistance.

10 (c) In order to qualify for credits under the REV Illinois  
11 Program, an Applicant must:

12 (1) for an electric vehicle manufacturer:

13 (A) make an investment of at least \$1,500,000,000  
14 in capital improvements at the project site;

15 (B) to be placed in service within the State  
16 within a 60-month period after approval of the  
17 application; and

18 (C) create at least 500 new full-time employee  
19 jobs; or

20 (2) for an electric vehicle component parts  
21 manufacturer:

22 (A) make an investment of at least \$300,000,000 in  
23 capital improvements at the project site;

24 (B) manufacture one or more parts that are  
25 primarily used for electric vehicle manufacturing;

26 (C) to be placed in service within the State

1           within a 60-month period after approval of the  
2           application; and

3                   (D) create at least 150 new full-time employee  
4           jobs; or

5           (3) for an electric vehicle manufacturer, an electric  
6           vehicle power supply equipment manufacturer ~~Manufacturer~~,  
7           an ~~or~~ electric vehicle component part manufacturer that  
8           does not qualify ~~quality~~ under paragraph (2) above, a  
9           battery recycling and reuse manufacturer, or a battery raw  
10          materials refining service provider:

11                   (A) make an investment of at least \$20,000,000 in  
12          capital improvements at the project site;

13                   (B) for electric vehicle component part  
14          manufacturers, manufacture one or more parts that are  
15          primarily used for electric vehicle manufacturing;

16                   (C) to be placed in service within the State  
17          within a 48-month period after approval of the  
18          application; and

19                   (D) create at least 50 new full-time employee  
20          jobs; or

21           (4) for an electric vehicle manufacturer or electric  
22          vehicle component parts manufacturer with existing  
23          operations within Illinois that intends to convert or  
24          expand, in whole or in part, the existing facility from  
25          traditional manufacturing to primarily electric vehicle  
26          manufacturing, electric vehicle component parts

1 manufacturing, or electric vehicle power supply equipment  
2 manufacturing:

3 (A) make an investment of at least \$100,000,000 in  
4 capital improvements at the project site;

5 (B) to be placed in service within the State  
6 within a 60-month period after approval of the  
7 application; and

8 (C) create the lesser of 75 new full-time employee  
9 jobs or new full-time employee jobs equivalent to 10%  
10 of the Statewide baseline applicable to the taxpayer  
11 and any related member at the time of application.

12 (d) For agreements entered into prior to the effective  
13 date of this amendatory Act of the 102nd General Assembly, for  
14 ~~For~~ any applicant creating the full-time employee jobs noted  
15 in subsection (c), those jobs must have a total compensation  
16 equal to or greater than 120% of the average wage paid to  
17 full-time employees in the county where the project is  
18 located, as determined by the U.S. Bureau of Labor Statistics.  
19 For agreements entered into on or after the effective date of  
20 this amendatory Act of the 102nd General Assembly, for any  
21 applicant creating the full-time employee jobs noted in  
22 subsection (c), those jobs must have a compensation equal to  
23 or greater than 120% of the average wage paid to full-time  
24 employees in a similar position within an occupational group  
25 in the county where the project is located, as determined by  
26 the U.S. Bureau of Labor Statistics.

1 (e) For any applicant, within 24 months after being placed  
2 in service, it must certify to the Department that it is carbon  
3 neutral or has attained certification under one of more of the  
4 following green building standards:

5 (1) BREEAM for New Construction or BREEAM In-Use;

6 (2) ENERGY STAR;

7 (3) Envision;

8 (4) ISO 50001 - energy management;

9 (5) LEED for Building Design and Construction or LEED  
10 for Building Operations and Maintenance;

11 (6) Green Globes for New Construction or Green Globes  
12 for Existing Buildings; or

13 (7) UL 3223.

14 (f) Each applicant must outline its hiring plan and  
15 commitment to recruit and hire full-time employee positions at  
16 the project site. The hiring plan may include a partnership  
17 with an institution of higher education to provide  
18 internships, including, but not limited to, internships  
19 supported by the Clean Jobs Workforce Network Program, or  
20 full-time permanent employment for students at the project  
21 site. Additionally, the applicant may create or utilize  
22 participants from apprenticeship programs that are approved by  
23 and registered with the United States Department of Labor's  
24 Bureau of Apprenticeship and Training. The Applicant may apply  
25 for apprenticeship education expense credits in accordance  
26 with the provisions set forth in 14 Ill. Admin. Code 522. Each

1 applicant is required to report annually, on or before April  
2 15, on the diversity of its workforce in accordance with  
3 Section 50 of this Act. For existing facilities of applicants  
4 under paragraph (3) of subsection (b) above, if the taxpayer  
5 expects a reduction in force due to its transition to  
6 manufacturing electric vehicle, electric vehicle component  
7 parts, or electric vehicle power supply equipment, the plan  
8 submitted under this Section must outline the taxpayer's plan  
9 to assist with retraining its workforce aligned with the  
10 taxpayer's adoption of new technologies and anticipated  
11 efforts to retrain employees through employment opportunities  
12 within the taxpayer's workforce.

13 (g) Each applicant must demonstrate a contractual or other  
14 relationship with a recycling facility, or demonstrate its own  
15 recycling capabilities, at the time of application and report  
16 annually a continuing contractual or other relationship with a  
17 recycling facility and the percentage of batteries used in  
18 electric vehicles recycled throughout the term of the  
19 agreement.

20 (h) A taxpayer may not enter into more than one agreement  
21 under this Act with respect to a single address or location for  
22 the same period of time. Also, a taxpayer may not enter into an  
23 agreement under this Act with respect to a single address or  
24 location for the same period of time for which the taxpayer  
25 currently holds an active agreement under the Economic  
26 Development for a Growing Economy Tax Credit Act. This

1 provision does not preclude the applicant from entering into  
2 an additional agreement after the expiration or voluntary  
3 termination of an earlier agreement under this Act or under  
4 the Economic Development for a Growing Economy Tax Credit Act  
5 to the extent that the taxpayer's application otherwise  
6 satisfies the terms and conditions of this Act and is approved  
7 by the Department. An applicant with an existing agreement  
8 under the Economic Development for a Growing Economy Tax  
9 Credit Act may submit an application for an agreement under  
10 this Act after it terminates any existing agreement under the  
11 Economic Development for a Growing Economy Tax Credit Act with  
12 respect to the same address or location.

13 (Source: P.A. 102-669, eff. 11-16-21.)

14 ARTICLE 55. EARNED INCOME TAX CREDIT

15 Section 55-5. The Illinois Income Tax Act is amended by  
16 changing Section 212 as follows:

17 (35 ILCS 5/212)

18 Sec. 212. Earned income tax credit.

19 (a) With respect to the federal earned income tax credit  
20 allowed for the taxable year under Section 32 of the federal  
21 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer  
22 is entitled to a credit against the tax imposed by subsections  
23 (a) and (b) of Section 201 in an amount equal to (i) 5% of the

1 federal tax credit for each taxable year beginning on or after  
2 January 1, 2000 and ending prior to December 31, 2012, (ii)  
3 7.5% of the federal tax credit for each taxable year beginning  
4 on or after January 1, 2012 and ending prior to December 31,  
5 2013, (iii) 10% of the federal tax credit for each taxable year  
6 beginning on or after January 1, 2013 and beginning prior to  
7 January 1, 2017, (iv) 14% of the federal tax credit for each  
8 taxable year beginning on or after January 1, 2017 and  
9 beginning prior to January 1, 2018, ~~and~~ (v) 18% of the federal  
10 tax credit for each taxable year beginning on or after January  
11 1, 2018 and beginning prior to January 1, 2023, and (vi) 20% of  
12 the federal tax credit for each taxable year beginning on or  
13 after January 1, 2023.

14 For a non-resident or part-year resident, the amount of  
15 the credit under this Section shall be in proportion to the  
16 amount of income attributable to this State.

17 (b) For taxable years beginning before January 1, 2003, in  
18 no event shall a credit under this Section reduce the  
19 taxpayer's liability to less than zero. For each taxable year  
20 beginning on or after January 1, 2003, if the amount of the  
21 credit exceeds the income tax liability for the applicable tax  
22 year, then the excess credit shall be refunded to the  
23 taxpayer. The amount of a refund shall not be included in the  
24 taxpayer's income or resources for the purposes of determining  
25 eligibility or benefit level in any means-tested benefit  
26 program administered by a governmental entity unless required



1 by federal law.

2 (b-5) For taxable years beginning on or after January 1,  
3 2023, each individual taxpayer who has attained the age of 18  
4 during the taxable year but has not yet attained the age of 25  
5 is entitled to the credit under paragraph (a) based on the  
6 federal tax credit for which the taxpayer would have been  
7 eligible without regard to any age requirements that would  
8 otherwise apply to individuals without a qualifying child in  
9 Section 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

10 (b-10) For taxable years beginning on or after January 1,  
11 2023, each individual taxpayer who has attained the age of 65  
12 or older during the taxable year is entitled to the credit  
13 under paragraph (a) based on the federal tax credit for which  
14 the taxpayer would have been eligible without regard to any  
15 age requirements that would otherwise apply to individuals  
16 without a qualifying child in Section 32(c)(1)(A)(ii) of the  
17 federal Internal Revenue Code.

18 (b-15) For taxable years beginning on or after January 1,  
19 2023, each individual taxpayer filing a return using an  
20 individual taxpayer identification number (ITIN) as prescribed  
21 under Section 6109 of the Internal Revenue Code, other than a  
22 Social Security number issued pursuant to Section 205(c)(2)(A)  
23 of the Social Security Act, is entitled to the credit under  
24 paragraph (a) based on the federal tax credit for which they  
25 would have been eligible without applying the restrictions  
26 regarding social security numbers in Section 32(m) of the

1 federal Internal Revenue Code.

2 (c) This Section is exempt from the provisions of Section  
3 250.

4 (Source: P.A. 100-22, eff. 7-6-17.)

5 ARTICLE 60. GROCERIES

6 Section 60-5. The State Finance Act is amended by adding  
7 Section 5.971 as follows:

8 (30 ILCS 105/5.971 new)

9 Sec. 5.971. The Grocery Tax Replacement Fund. This Section  
10 is repealed January 1, 2024.

11 Section 60-10. The State Finance Act is amended by  
12 changing Sections 6z-17 and 6z-18 and by adding Section 6z-130  
13 as follows:

14 (30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

15 Sec. 6z-17. State and Local Sales Tax Reform Fund.

16 (a) After deducting the amount transferred to the Tax  
17 Compliance and Administration Fund under subsection (b), of  
18 the money paid into the State and Local Sales Tax Reform Fund:

19 (i) subject to appropriation to the Department of Revenue,  
20 Municipalities having 1,000,000 or more inhabitants shall  
21 receive 20% and may expend such amount to fund and establish a

1 program for developing and coordinating public and private  
2 resources targeted to meet the affordable housing needs of  
3 low-income and very low-income households within such  
4 municipality, (ii) 10% shall be transferred into the Regional  
5 Transportation Authority Occupation and Use Tax Replacement  
6 Fund, a special fund in the State treasury which is hereby  
7 created, (iii) until July 1, 2013, subject to appropriation to  
8 the Department of Transportation, the Madison County Mass  
9 Transit District shall receive .6%, and beginning on July 1,  
10 2013, subject to appropriation to the Department of Revenue,  
11 0.6% shall be distributed each month out of the Fund to the  
12 Madison County Mass Transit District, (iv) the following  
13 amounts, plus any cumulative deficiency in such transfers for  
14 prior months, shall be transferred monthly into the Build  
15 Illinois Fund and credited to the Build Illinois Bond Account  
16 therein:

17 Fiscal Year	Amount
18 1990	\$2,700,000
19 1991	1,850,000
20 1992	2,750,000
21 1993	2,950,000

22 From Fiscal Year 1994 through Fiscal Year 2025 the  
23 transfer shall total \$3,150,000 monthly, plus any cumulative  
24 deficiency in such transfers for prior months, and (v) the  
25 remainder of the money paid into the State and Local Sales Tax  
26 Reform Fund shall be transferred into the Local Government

1 Distributive Fund and, except for municipalities with  
2 1,000,000 or more inhabitants which shall receive no portion  
3 of such remainder, shall be distributed, subject to  
4 appropriation, in the manner provided by Section 2 of "An Act  
5 in relation to State revenue sharing with local government  
6 entities", approved July 31, 1969, as now or hereafter  
7 amended. Municipalities with more than 50,000 inhabitants  
8 according to the 1980 U.S. Census and located within the Metro  
9 East Mass Transit District receiving funds pursuant to  
10 provision (v) of this paragraph may expend such amounts to  
11 fund and establish a program for developing and coordinating  
12 public and private resources targeted to meet the affordable  
13 housing needs of low-income and very low-income households  
14 within such municipality.

15 Moneys transferred from the Grocery Tax Replacement Fund  
16 to the State and Local Sales Tax Reform Fund under Section  
17 6z-130 shall be treated under this Section in the same manner  
18 as if they had been remitted with the return on which they were  
19 reported.

20 (b) Beginning on the first day of the first calendar month  
21 to occur on or after the effective date of this amendatory Act  
22 of the 98th General Assembly, each month the Department of  
23 Revenue shall certify to the State Comptroller and the State  
24 Treasurer, and the State Comptroller shall order transferred  
25 and the State Treasurer shall transfer from the State and  
26 Local Sales Tax Reform Fund to the Tax Compliance and

1 Administration Fund, an amount equal to 1/12 of 5% of 20% of  
2 the cash receipts collected during the preceding fiscal year  
3 by the Audit Bureau of the Department of Revenue under the Use  
4 Tax Act, the Service Use Tax Act, the Service Occupation Tax  
5 Act, the Retailers' Occupation Tax Act, and associated local  
6 occupation and use taxes administered by the Department. The  
7 amount distributed under subsection (a) each month shall first  
8 be reduced by the amount transferred to the Tax Compliance and  
9 Administration Fund under this subsection (b). Moneys  
10 transferred to the Tax Compliance and Administration Fund  
11 under this subsection (b) shall be used, subject to  
12 appropriation, to fund additional auditors and compliance  
13 personnel at the Department of Revenue.

14 (Source: P.A. 98-44, eff. 6-28-13; 98-1098, eff. 8-26-14.)

15 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

16 Sec. 6z-18. Local Government Tax Fund. A portion of the  
17 money paid into the Local Government Tax Fund from sales of  
18 tangible personal property taxed at the 1% rate under the  
19 Retailers' Occupation Tax Act and the Service Occupation Tax  
20 Act, which occurred in municipalities, shall be distributed to  
21 each municipality based upon the sales which occurred in that  
22 municipality. The remainder shall be distributed to each  
23 county based upon the sales which occurred in the  
24 unincorporated area of that county.

25 Moneys transferred from the Grocery Tax Replacement Fund

1 to the Local Government Tax Fund under Section 6z-130 shall be  
2 treated under this Section in the same manner as if they had  
3 been remitted with the return on which they were reported.

4 A portion of the money paid into the Local Government Tax  
5 Fund from the 6.25% general use tax rate on the selling price  
6 of tangible personal property which is purchased outside  
7 Illinois at retail from a retailer and which is titled or  
8 registered by any agency of this State's government shall be  
9 distributed to municipalities as provided in this paragraph.  
10 Each municipality shall receive the amount attributable to  
11 sales for which Illinois addresses for titling or registration  
12 purposes are given as being in such municipality. The  
13 remainder of the money paid into the Local Government Tax Fund  
14 from such sales shall be distributed to counties. Each county  
15 shall receive the amount attributable to sales for which  
16 Illinois addresses for titling or registration purposes are  
17 given as being located in the unincorporated area of such  
18 county.

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general rate (and, beginning July 1, 2000  
21 and through December 31, 2000, the 1.25% rate on motor fuel and  
22 gasohol, and beginning on August 6, 2010 through August 15,  
23 2010, the 1.25% rate on sales tax holiday items) on sales  
24 subject to taxation under the Retailers' Occupation Tax Act  
25 and the Service Occupation Tax Act, which occurred in  
26 municipalities, shall be distributed to each municipality,

1 based upon the sales which occurred in that municipality. The  
2 remainder shall be distributed to each county, based upon the  
3 sales which occurred in the unincorporated area of such  
4 county.

5 For the purpose of determining allocation to the local  
6 government unit, a retail sale by a producer of coal or other  
7 mineral mined in Illinois is a sale at retail at the place  
8 where the coal or other mineral mined in Illinois is extracted  
9 from the earth. This paragraph does not apply to coal or other  
10 mineral when it is delivered or shipped by the seller to the  
11 purchaser at a point outside Illinois so that the sale is  
12 exempt under the United States Constitution as a sale in  
13 interstate or foreign commerce.

14 Whenever the Department determines that a refund of money  
15 paid into the Local Government Tax Fund should be made to a  
16 claimant instead of issuing a credit memorandum, the  
17 Department shall notify the State Comptroller, who shall cause  
18 the order to be drawn for the amount specified, and to the  
19 person named, in such notification from the Department. Such  
20 refund shall be paid by the State Treasurer out of the Local  
21 Government Tax Fund.

22 As soon as possible after the first day of each month,  
23 beginning January 1, 2011, upon certification of the  
24 Department of Revenue, the Comptroller shall order  
25 transferred, and the Treasurer shall transfer, to the STAR  
26 Bonds Revenue Fund the local sales tax increment, as defined

1 in the Innovation Development and Economy Act, collected  
2 during the second preceding calendar month for sales within a  
3 STAR bond district and deposited into the Local Government Tax  
4 Fund, less 3% of that amount, which shall be transferred into  
5 the Tax Compliance and Administration Fund and shall be used  
6 by the Department, subject to appropriation, to cover the  
7 costs of the Department in administering the Innovation  
8 Development and Economy Act.

9 After the monthly transfer to the STAR Bonds Revenue Fund,  
10 on or before the 25th day of each calendar month, the  
11 Department shall prepare and certify to the Comptroller the  
12 disbursement of stated sums of money to named municipalities  
13 and counties, the municipalities and counties to be those  
14 entitled to distribution of taxes or penalties paid to the  
15 Department during the second preceding calendar month. The  
16 amount to be paid to each municipality or county shall be the  
17 amount (not including credit memoranda) collected during the  
18 second preceding calendar month by the Department and paid  
19 into the Local Government Tax Fund, plus an amount the  
20 Department determines is necessary to offset any amounts which  
21 were erroneously paid to a different taxing body, and not  
22 including an amount equal to the amount of refunds made during  
23 the second preceding calendar month by the Department, and not  
24 including any amount which the Department determines is  
25 necessary to offset any amounts which are payable to a  
26 different taxing body but were erroneously paid to the



1 municipality or county, and not including any amounts that are  
2 transferred to the STAR Bonds Revenue Fund. Within 10 days  
3 after receipt, by the Comptroller, of the disbursement  
4 certification to the municipalities and counties, provided for  
5 in this Section to be given to the Comptroller by the  
6 Department, the Comptroller shall cause the orders to be drawn  
7 for the respective amounts in accordance with the directions  
8 contained in such certification.

9       When certifying the amount of monthly disbursement to a  
10 municipality or county under this Section, the Department  
11 shall increase or decrease that amount by an amount necessary  
12 to offset any misallocation of previous disbursements. The  
13 offset amount shall be the amount erroneously disbursed within  
14 the 6 months preceding the time a misallocation is discovered.

15       The provisions directing the distributions from the  
16 special fund in the State Treasury provided for in this  
17 Section shall constitute an irrevocable and continuing  
18 appropriation of all amounts as provided herein. The State  
19 Treasurer and State Comptroller are hereby authorized to make  
20 distributions as provided in this Section.

21       In construing any development, redevelopment, annexation,  
22 preannexation or other lawful agreement in effect prior to  
23 September 1, 1990, which describes or refers to receipts from  
24 a county or municipal retailers' occupation tax, use tax or  
25 service occupation tax which now cannot be imposed, such  
26 description or reference shall be deemed to include the

1 replacement revenue for such abolished taxes, distributed from  
2 the Local Government Tax Fund.

3 As soon as possible after the effective date of this  
4 amendatory Act of the 98th General Assembly, the State  
5 Comptroller shall order and the State Treasurer shall transfer  
6 \$6,600,000 from the Local Government Tax Fund to the Illinois  
7 State Medical Disciplinary Fund.

8 (Source: P.A. 100-1171, eff. 1-4-19.)

9 (30 ILCS 105/6z-130 new)

10 Sec. 6z-130. Grocery Tax Replacement Fund.

11 (a) The Grocery Tax Replacement Fund is hereby created as  
12 a special fund in the State Treasury.

13 (b) On the effective date of this amendatory Act of the  
14 102nd General Assembly, or as soon thereafter as practical,  
15 but no later than June 30, 2022, the State Comptroller shall  
16 direct and the State Treasurer shall transfer the sum of  
17 \$325,000,000 from the General Revenue Fund to the Grocery Tax  
18 Replacement Fund.

19 (c) On July 1, 2022, or as soon thereafter as practical,  
20 the State Comptroller shall direct and the State Treasurer  
21 shall transfer the sum of \$75,000,000 from the General Revenue  
22 Fund to the Grocery Tax Replacement Fund.

23 (d) In addition to any other transfers that may be  
24 provided for by law, beginning on the effective date of this  
25 amendatory Act of the 102nd General Assembly and until

1 November 30, 2023, the Director may certify additional  
2 transfer amounts needed beyond the amounts specified in  
3 subsections (b) and (c) to cover any additional amounts needed  
4 to equal the net revenue that, but for the reduction of the  
5 rate to 0% in the Use Tax Act, the Service Use Tax Act, the  
6 Service Occupation Tax Act, and the Retailers' Occupation Tax  
7 Act under this amendatory Act of the 102nd General Assembly,  
8 would have been realized if the items that are subject to the  
9 rate reduction had been taxed at the 1% rate during the period  
10 of the reduction. The State Comptroller shall direct and the  
11 State Treasurer shall transfer the amounts certified by the  
12 Director from the General Revenue Fund to the Grocery Tax  
13 Replacement Fund.

14 (e) In addition to any other transfers that may be  
15 provided for by law, beginning on July 1, 2022 and until  
16 December 1, 2023, at the direction of the Department of  
17 Revenue, the State Comptroller shall direct and the State  
18 Treasurer shall transfer from the Grocery Tax Replacement Fund  
19 to the State and Local Sales Tax Reform Fund any amounts needed  
20 to equal the net revenue that, but for the reduction of the  
21 rate to 0% in the Use Tax Act and Service Use Tax Act under  
22 this amendatory Act of the 102nd General Assembly, would have  
23 been deposited into the State and Local Sales Tax Reform Fund  
24 if the items that are subject to the rate reduction had been  
25 taxed at the 1% rate during the period of the reduction.

26 (f) In addition to any other transfers that may be

1 provided for by law, beginning on July 1, 2022 and until  
2 December 1, 2023, at the direction of the Department of  
3 Revenue, the State Comptroller shall direct and the State  
4 Treasurer shall transfer from the Grocery Tax Replacement Fund  
5 to the Local Government Tax Fund any amounts needed to equal  
6 the net revenue that, but for the reduction of the rate to 0%  
7 in the Service Occupation Tax Act and the Retailers'  
8 Occupation Tax Act under this amendatory Act of the 102nd  
9 General Assembly, would have been deposited into the Local  
10 Government Tax Fund if the items that are subject to the rate  
11 reduction had been taxed at the 1% rate during the period of  
12 the reduction.

13 (g) The State Comptroller shall direct and the State  
14 Treasurer shall transfer the remaining balance in the Grocery  
15 Tax Replacement Fund to the General Revenue Fund on December  
16 1, 2023, or as soon thereafter as practical. Upon completion  
17 of the transfer, the Grocery Tax Replacement Fund is  
18 dissolved.

19 (h) This Section is repealed on January 1, 2024.

20 Section 60-15. The Use Tax Act is amended by changing  
21 Sections 3-10, 3a, and 9 as follows:

22 (35 ILCS 105/3-10)

23 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
24 Section, the tax imposed by this Act is at the rate of 6.25% of

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

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

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

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

10           With respect to majority blended ethanol fuel, the tax  
11 imposed by this Act does not apply to the proceeds of sales  
12 made on or after July 1, 2003 and on or before December 31,  
13 2023 but applies to 100% of the proceeds of sales made  
14 thereafter.

15           With respect to biodiesel blends with no less than 1% and  
16 no more than 10% biodiesel, the tax imposed by this Act applies  
17 to (i) 80% of the proceeds of sales made on or after July 1,  
18 2003 and on or before December 31, 2018 and (ii) 100% of the  
19 proceeds of sales made thereafter. If, at any time, however,  
20 the tax under this Act on sales of biodiesel blends with no  
21 less than 1% and no more than 10% biodiesel is imposed at the  
22 rate of 1.25%, then the tax imposed by this Act applies to 100%  
23 of the proceeds of sales of biodiesel blends with no less than  
24 1% and no more than 10% biodiesel made during that time.

25           With respect to 100% biodiesel and biodiesel blends with  
26 more than 10% but no more than 99% biodiesel, the tax imposed

1 by this Act does not apply to the proceeds of sales made on or  
2 after July 1, 2003 and on or before December 31, 2023 but  
3 applies to 100% of the proceeds of sales made thereafter.

4 Until July 1, 2022 and beginning again on July 1, 2023,  
5 with ~~With~~ respect to food for human consumption that is to be  
6 consumed off the premises where it is sold (other than  
7 alcoholic beverages, food consisting of or infused with adult  
8 use cannabis, soft drinks, and food that has been prepared for  
9 immediate consumption), the tax is imposed at the rate of 1%.  
10 Beginning on July 1, 2022 and until July 1, 2023, with respect  
11 to food for human consumption that is to be consumed off the  
12 premises where it is sold (other than alcoholic beverages,  
13 food consisting of or infused with adult use cannabis, soft  
14 drinks, and food that has been prepared for immediate  
15 consumption), the tax is imposed at the rate of 0%.

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

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

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

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



1 products that are dispensed hot from a vending machine,  
2 regardless of the location of the vending machine.

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

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

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

26 (B) A statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,  
2 substance or preparation.

3 Beginning on the effective date of this amendatory Act of  
4 the 98th General Assembly, "prescription and nonprescription  
5 medicines and drugs" includes medical cannabis purchased from  
6 a registered dispensing organization under the Compassionate  
7 Use of Medical Cannabis Program Act.

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

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

20 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
21 102-4, eff. 4-27-21.)

22 (35 ILCS 105/3a) (from Ch. 120, par. 439.3a)

23 Sec. 3a. The tax imposed by the Act shall when collected be  
24 stated as a distinct item separate and apart from the selling  
25 price of the tangible personal property. However, where it is

1 not possible to state the sales tax separately in situations  
2 such as sales from vending machines or sales of liquor by the  
3 drink the Department may by rule exempt such sales from this  
4 requirement so long as purchasers are notified by a sign that  
5 the tax is included in the selling price.

6 In addition, retailers who sell items that would have been  
7 taxed at the 1% rate but for the 0% rate imposed under this  
8 amendatory Act of the 102nd General Assembly shall, to the  
9 extent feasible, include the following statement on any cash  
10 register tape, receipt, invoice, or sales ticket issued to  
11 customers: "From July 1, 2022 through July 1, 2023, the State  
12 of Illinois sales tax on groceries is 0%." If it is not  
13 feasible for the retailer to include the statement on any cash  
14 register tape, receipt, invoice, or sales ticket issued to  
15 customers, then the retailer shall post the statement on a  
16 sign that is clearly visible to customers. The sign shall be no  
17 smaller than 4 inches by 8 inches.

18 (Source: P.A. 84-229.)

19 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

20 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
21 and trailers that are required to be registered with an agency  
22 of this State, each retailer required or authorized to collect  
23 the tax imposed by this Act shall pay to the Department the  
24 amount of such tax (except as otherwise provided) at the time  
25 when he is required to file his return for the period during

1 which such tax was collected, less a discount of 2.1% prior to  
2 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
3 per calendar year, whichever is greater, which is allowed to  
4 reimburse the retailer for expenses incurred in collecting the  
5 tax, keeping records, preparing and filing returns, remitting  
6 the tax and supplying data to the Department on request. The  
7 discount under this Section is not allowed for the 1.25%  
8 portion of taxes paid on aviation fuel that is subject to the  
9 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
10 47133. When determining the discount allowed under this  
11 Section, retailers shall include the amount of tax that would  
12 have been due at the 1% rate but for the 0% rate imposed under  
13 this amendatory Act of the 102nd General Assembly. In the case  
14 of retailers who report and pay the tax on a transaction by  
15 transaction basis, as provided in this Section, such discount  
16 shall be taken with each such tax remittance instead of when  
17 such retailer files his periodic return. The discount allowed  
18 under this Section is allowed only for returns that are filed  
19 in the manner required by this Act. The Department may  
20 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  
26 Retailers' Occupation Tax Act, with respect to the sale of the

1 same property.

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

12 Except as provided in this Section, on or before the  
13 twentieth day of each calendar month, such retailer shall file  
14 a return for the preceding calendar month. Such return shall  
15 be filed on forms prescribed by the Department and shall  
16 furnish such information as the Department may reasonably  
17 require. The return shall include the gross receipts on food  
18 for human consumption that is to be consumed off the premises  
19 where it is sold (other than alcoholic beverages, food  
20 consisting of or infused with adult use cannabis, soft drinks,  
21 and food that has been prepared for immediate consumption)  
22 which were received during the preceding calendar month,  
23 quarter, or year, as appropriate, and upon which tax would  
24 have been due but for the 0% rate imposed under this amendatory  
25 Act of the 102nd General Assembly. The return shall also  
26 include the amount of tax that would have been due on food for

1 human consumption that is to be consumed off the premises  
2 where it is sold (other than alcoholic beverages, food  
3 consisting of or infused with adult use cannabis, soft drinks,  
4 and food that has been prepared for immediate consumption) but  
5 for the 0% rate imposed under this amendatory Act of the 102nd  
6 General Assembly.

7 On and after January 1, 2018, except for returns for motor  
8 vehicles, watercraft, aircraft, and trailers that are required  
9 to be registered with an agency of this State, with respect to  
10 retailers whose annual gross receipts average \$20,000 or more,  
11 all returns required to be filed pursuant to this Act shall be  
12 filed electronically. Retailers who demonstrate that they do  
13 not have access to the Internet or demonstrate hardship in  
14 filing electronically may petition the Department to waive the  
15 electronic filing requirement.

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

23 1. The name of the seller;

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

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

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

8           5. The amount of tax due;

9           5-5. The signature of the taxpayer; and

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

12          Each retailer required or authorized to collect the tax  
13          imposed by this Act on aviation fuel sold at retail in this  
14          State during the preceding calendar month shall, instead of  
15          reporting and paying tax on aviation fuel as otherwise  
16          required by this Section, report and pay such tax on a separate  
17          aviation fuel tax return. The requirements related to the  
18          return shall be as otherwise provided in this Section.  
19          Notwithstanding any other provisions of this Act to the  
20          contrary, retailers collecting tax on aviation fuel shall file  
21          all aviation fuel tax returns and shall make all aviation fuel  
22          tax payments by electronic means in the manner and form  
23          required by the Department. For purposes of this Section,  
24          "aviation fuel" means jet fuel and aviation gasoline.

25          If a taxpayer fails to sign a return within 30 days after  
26          the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be  
2 due on the return shall be deemed assessed.

3 Notwithstanding any other provision of this Act to the  
4 contrary, retailers subject to tax on cannabis shall file all  
5 cannabis tax returns and shall make all cannabis tax payments  
6 by electronic means in the manner and form required by the  
7 Department.

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



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

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

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

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

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

22 Before October 1, 2000, if the taxpayer's average monthly  
23 tax liability to the Department under this Act, the Retailers'  
24 Occupation Tax Act, the Service Occupation Tax Act, the  
25 Service Use Tax Act was \$10,000 or more during the preceding 4  
26 complete calendar quarters, he shall file a return with the

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

1 calendar month of the preceding year. If the month during  
2 which such tax liability is incurred begins on or after  
3 January 1, 1987, and prior to January 1, 1988, each payment  
4 shall be in an amount equal to 22.5% of the taxpayer's actual  
5 liability for the month or 26.25% of the taxpayer's liability  
6 for the same calendar month of the preceding year. If the month  
7 during which such tax liability is incurred begins on or after  
8 January 1, 1988, and prior to January 1, 1989, or begins on or  
9 after January 1, 1996, each payment shall be in an amount equal  
10 to 22.5% of the taxpayer's actual liability for the month or  
11 25% of the taxpayer's liability for the same calendar month of  
12 the preceding year. If the month during which such tax  
13 liability is incurred begins on or after January 1, 1989, and  
14 prior to January 1, 1996, each payment shall be in an amount  
15 equal to 22.5% of the taxpayer's actual liability for the  
16 month or 25% of the taxpayer's liability for the same calendar  
17 month of the preceding year or 100% of the taxpayer's actual  
18 liability for the quarter monthly reporting period. The amount  
19 of such quarter monthly payments shall be credited against the  
20 final tax liability of the taxpayer's return for that month.  
21 Before October 1, 2000, once applicable, the requirement of  
22 the making of quarter monthly payments to the Department shall  
23 continue until such taxpayer's average monthly liability to  
24 the Department during the preceding 4 complete calendar  
25 quarters (excluding the month of highest liability and the  
26 month of lowest liability) is less than \$9,000, or until such

1 taxpayer's average monthly liability to the Department as  
2 computed for each calendar quarter of the 4 preceding complete  
3 calendar quarter period is less than \$10,000. However, if a  
4 taxpayer can show the Department that a substantial change in  
5 the taxpayer's business has occurred which causes the taxpayer  
6 to anticipate that his average monthly tax liability for the  
7 reasonably foreseeable future will fall below the \$10,000  
8 threshold stated above, then such taxpayer may petition the  
9 Department for change in such taxpayer's reporting status. On  
10 and after October 1, 2000, once applicable, the requirement of  
11 the making of quarter monthly payments to the Department shall  
12 continue until such taxpayer's average monthly liability to  
13 the Department during the preceding 4 complete calendar  
14 quarters (excluding the month of highest liability and the  
15 month of lowest liability) is less than \$19,000 or until such  
16 taxpayer's average monthly liability to the Department as  
17 computed for each calendar quarter of the 4 preceding complete  
18 calendar quarter period is less than \$20,000. However, if a  
19 taxpayer can show the Department that a substantial change in  
20 the taxpayer's business has occurred which causes the taxpayer  
21 to anticipate that his average monthly tax liability for the  
22 reasonably foreseeable future will fall below the \$20,000  
23 threshold stated above, then such taxpayer may petition the  
24 Department for a change in such taxpayer's reporting status.  
25 The Department shall change such taxpayer's reporting status  
26 unless it finds that such change is seasonal in nature and not

1 likely to be long term. Quarter monthly payment status shall  
2 be determined under this paragraph as if the rate reduction to  
3 0% in this amendatory Act of the 102nd General Assembly on food  
4 for human consumption that is to be consumed off the premises  
5 where it is sold (other than alcoholic beverages, food  
6 consisting of or infused with adult use cannabis, soft drinks,  
7 and food that has been prepared for immediate consumption) had  
8 not occurred. For quarter monthly payments due under this  
9 paragraph on or after July 1, 2023 and through June 30, 2024,  
10 "25% of the taxpayer's liability for the same calendar month  
11 of the preceding year" shall be determined as if the rate  
12 reduction to 0% in this amendatory Act of the 102nd General  
13 Assembly had not occurred. If any such quarter monthly payment  
14 is not paid at the time or in the amount required by this  
15 Section, then the taxpayer shall be liable for penalties and  
16 interest on the difference between the minimum amount due and  
17 the amount of such quarter monthly payment actually and timely  
18 paid, except insofar as the taxpayer has previously made  
19 payments for that month to the Department in excess of the  
20 minimum payments previously due as provided in this Section.  
21 The Department shall make reasonable rules and regulations to  
22 govern the quarter monthly payment amount and quarter monthly  
23 payment dates for taxpayers who file on other than a calendar  
24 monthly basis.

25 If any such payment provided for in this Section exceeds  
26 the taxpayer's liabilities under this Act, the Retailers'

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

26 If the retailer is otherwise required to file a monthly

1 return and if the retailer's average monthly tax liability to  
2 the Department does not exceed \$200, the Department may  
3 authorize his returns to be filed on a quarter annual basis,  
4 with the return for January, February, and March of a given  
5 year being due by April 20 of such year; with the return for  
6 April, May and June of a given year being due by July 20 of  
7 such year; with the return for July, August and September of a  
8 given year being due by October 20 of such year, and with the  
9 return for October, November and December of a given year  
10 being due by January 20 of the following year.

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

17 Such quarter annual and annual returns, as to form and  
18 substance, shall be subject to the same requirements as  
19 monthly returns.

20 Notwithstanding any other provision in this Act concerning  
21 the time within which a retailer may file his return, in the  
22 case of any retailer who ceases to engage in a kind of business  
23 which makes him responsible for filing returns under this Act,  
24 such retailer shall file a final return under this Act with the  
25 Department not more than one month after discontinuing such  
26 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, except as otherwise provided in this  
4 Section, every retailer selling this kind of tangible personal  
5 property shall file, with the Department, upon a form to be  
6 prescribed and supplied by the Department, a separate return  
7 for each such item of tangible personal property which the  
8 retailer sells, except that if, in the same transaction, (i) a  
9 retailer of aircraft, watercraft, motor vehicles or trailers  
10 transfers more than one aircraft, watercraft, motor vehicle or  
11 trailer to another aircraft, watercraft, motor vehicle or  
12 trailer retailer for the purpose of resale or (ii) a retailer  
13 of aircraft, watercraft, motor vehicles, or trailers transfers  
14 more than one aircraft, watercraft, motor vehicle, or trailer  
15 to a purchaser for use as a qualifying rolling stock as  
16 provided in Section 3-55 of this Act, then that seller may  
17 report the transfer of all the aircraft, watercraft, motor  
18 vehicles or trailers involved in that transaction to the  
19 Department on the same uniform invoice-transaction reporting  
20 return form. For purposes of this Section, "watercraft" means  
21 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
22 3-2 of the Boat Registration and Safety Act, a personal  
23 watercraft, or any boat equipped with an inboard motor.

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 person who is engaged in the



1 business of leasing or renting such items and who, in  
2 connection with such business, sells any such item to a  
3 retailer for the purpose of resale is, notwithstanding any  
4 other provision of this Section to the contrary, authorized to  
5 meet the return-filing requirement of this Act by reporting  
6 the transfer of all the aircraft, watercraft, motor vehicles,  
7 or trailers transferred for resale during a month to the  
8 Department on the same uniform invoice-transaction reporting  
9 return form on or before the 20th of the month following the  
10 month in which the transfer takes place. Notwithstanding any  
11 other provision of this Act to the contrary, all returns filed  
12 under this paragraph must be filed by electronic means in the  
13 manner and form as required by the Department.

14 The transaction reporting return in the case of motor  
15 vehicles or trailers that are required to be registered with  
16 an agency of this State, shall be the same document as the  
17 Uniform Invoice referred to in Section 5-402 of the Illinois  
18 Vehicle Code and must show the name and address of the seller;  
19 the name and address of the purchaser; the amount of the  
20 selling price including the amount allowed by the retailer for  
21 traded-in property, if any; the amount allowed by the retailer  
22 for the traded-in tangible personal property, if any, to the  
23 extent to which Section 2 of this Act allows an exemption for  
24 the value of traded-in property; the balance payable after  
25 deducting such trade-in allowance from the total selling  
26 price; the amount of tax due from the retailer with respect to

1 such transaction; the amount of tax collected from the  
2 purchaser by the retailer on such transaction (or satisfactory  
3 evidence that such tax is not due in that particular instance,  
4 if that is claimed to be the fact); the place and date of the  
5 sale; a sufficient identification of the property sold; such  
6 other information as is required in Section 5-402 of the  
7 Illinois Vehicle Code, and such other information as the  
8 Department may reasonably require.

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

26 Such transaction reporting return shall be filed not later

1 than 20 days after the date of delivery of the item that is  
2 being sold, but may be filed by the retailer at any time sooner  
3 than that if he chooses to do so. The transaction reporting  
4 return and tax remittance or proof of exemption from the tax  
5 that is imposed by this Act may be transmitted to the  
6 Department by way of the State agency with which, or State  
7 officer with whom, the tangible personal property must be  
8 titled or registered (if titling or registration is required)  
9 if the Department and such agency or State officer determine  
10 that this procedure will expedite the processing of  
11 applications for title or registration.

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

25 No retailer's failure or refusal to remit tax under this  
26 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other  
2 evidence of title or registration (if titling or registration  
3 is required) upon satisfying the Department that such user has  
4 paid the proper tax (if tax is due) to the retailer. The  
5 Department shall adopt appropriate rules to carry out the  
6 mandate of this paragraph.

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

25 Where a retailer collects the tax with respect to the  
26 selling price of tangible personal property which he sells and

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

15 Any retailer filing a return under this Section shall also  
16 include (for the purpose of paying tax thereon) the total tax  
17 covered by such return upon the selling price of tangible  
18 personal property purchased by him at retail from a retailer,  
19 but as to which the tax imposed by this Act was not collected  
20 from the retailer filing such return, and such retailer shall  
21 remit the amount of such tax to the Department when filing such  
22 return.

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 retailers, who are required to file  
26 returns hereunder and also under the Retailers' Occupation Tax

1 Act, to furnish all the return information required by both  
2 Acts on the one form.

3 Where the retailer has more than one business registered  
4 with the Department under separate registration under this  
5 Act, such retailer may not file each return that is due as a  
6 single return covering all such registered businesses, but  
7 shall file separate returns for each such registered business.

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the State and Local Sales Tax Reform Fund, a special  
10 fund in the State Treasury which is hereby created, the net  
11 revenue realized for the preceding month from the 1% tax  
12 imposed under this Act.

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

20 Beginning January 1, 1990, each month the Department shall  
21 pay into the State and Local Sales Tax Reform Fund, a special  
22 fund in the State Treasury, 20% of the net revenue realized for  
23 the preceding month from the 6.25% general rate on the selling  
24 price of tangible personal property, other than (i) tangible  
25 personal property which is purchased outside Illinois at  
26 retail from a retailer and which is titled or registered by an

1 agency of this State's government and (ii) aviation fuel sold  
2 on or after December 1, 2019. This exception for aviation fuel  
3 only applies for so long as the revenue use requirements of 49  
4 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

5 For aviation fuel sold on or after December 1, 2019, each  
6 month the Department shall pay into the State Aviation Program  
7 Fund 20% of the net revenue realized for the preceding month  
8 from the 6.25% general rate on the selling price of aviation  
9 fuel, less an amount estimated by the Department to be  
10 required for refunds of the 20% portion of the tax on aviation  
11 fuel under this Act, which amount shall be deposited into the  
12 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
13 pay moneys into the State Aviation Program Fund and the  
14 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
15 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
16 U.S.C. 47133 are binding on the State.

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  
22 the State and Local Sales Tax Reform Fund 100% of the net  
23 revenue realized for the preceding month from the 1.25% rate  
24 on the 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  
2 on 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  
14 pay into the Clean Air Act Permit Fund 80% of the net revenue  
15 realized for the preceding month from the 6.25% general rate  
16 on the selling price of sorbents used in Illinois in the  
17 process of sorbent injection as used to comply with the  
18 Environmental Protection Act or the federal Clean Air Act, but  
19 the total payment into the Clean Air Act Permit Fund under this  
20 Act 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  
23 pay 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,  
10 excluding 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 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 Bond Account  
12 in the 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

1     securing Bonds issued and outstanding pursuant to the Build  
2     Illinois Bond Act is sufficient, taking into account any  
3     future investment income, to fully provide, in accordance with  
4     such 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  
20    Fund; provided, however, that any amounts paid to the Build  
21    Illinois Fund in any fiscal year pursuant to this sentence  
22    shall be deemed to constitute payments pursuant to clause (b)  
23    of the preceding sentence and shall reduce the amount  
24    otherwise payable for such fiscal year pursuant to clause (b)  
25    of the preceding sentence. The moneys received by the  
26    Department pursuant to this Act and required to be deposited

1 into the Build Illinois Fund are subject to the pledge, claim  
2 and charge set forth in Section 12 of the Build Illinois Bond  
3 Act.

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

16	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000
26	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	300,000,000
20	2022	300,000,000
21	2023	300,000,000
22	2024	300,000,000
23	2025	300,000,000
24	2026	300,000,000
25	2027	375,000,000
26	2028	375,000,000

1	2029	375,000,000
2	2030	375,000,000
3	2031	375,000,000
4	2032	375,000,000
5	2033	375,000,000
6	2034	375,000,000
7	2035	375,000,000
8	2036	450,000,000

9 and

10 each fiscal year  
11 thereafter that bonds  
12 are outstanding under  
13 Section 13.2 of the  
14 Metropolitan Pier and  
15 Exposition Authority Act,  
16 but not after fiscal year 2060.

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

1 Fund, until the full amount requested for the fiscal year, but  
2 not in excess of the amount specified above as "Total  
3 Deposit", has been deposited.

4 Subject to payment of amounts into the Capital Projects  
5 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
6 and the McCormick Place Expansion Project Fund pursuant to the  
7 preceding paragraphs or in any amendments thereto hereafter  
8 enacted, for aviation fuel sold on or after December 1, 2019,  
9 the Department shall each month deposit into the Aviation Fuel  
10 Sales Tax Refund Fund an amount estimated by the Department to  
11 be required for refunds of the 80% portion of the tax on  
12 aviation fuel under this Act. The Department shall only  
13 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
14 under this paragraph for so long as the revenue use  
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
16 binding on the State.

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 July 1, 1993 and ending on September 30,  
21 2013, the Department shall each month pay into the Illinois  
22 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
23 the preceding month from the 6.25% general rate on the selling  
24 price of tangible personal property.

25 Subject to payment of amounts into the Build Illinois Fund  
26 and the McCormick Place Expansion Project Fund pursuant to the

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

12 Subject to payment of amounts into the Build Illinois  
13 Fund, the McCormick Place Expansion Project Fund, the Illinois  
14 Tax Increment Fund, and the Energy Infrastructure Fund  
15 pursuant to the preceding paragraphs or in any amendments to  
16 this Section hereafter enacted, beginning on the first day of  
17 the first calendar month to occur on or after August 26, 2014  
18 (the effective date of Public Act 98-1098), each month, from  
19 the collections made under Section 9 of the Use Tax Act,  
20 Section 9 of the Service Use Tax Act, Section 9 of the Service  
21 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
22 Tax Act, the Department shall pay into the Tax Compliance and  
23 Administration Fund, to be used, subject to appropriation, to  
24 fund additional auditors and compliance personnel at the  
25 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
26 the cash receipts collected during the preceding fiscal year



1 by the Audit Bureau of the Department under the Use Tax Act,  
2 the Service Use Tax Act, the Service Occupation Tax Act, the  
3 Retailers' Occupation Tax Act, and associated local occupation  
4 and use taxes administered by the Department.

5 Subject to payments of amounts into the Build Illinois  
6 Fund, the McCormick Place Expansion Project Fund, the Illinois  
7 Tax Increment Fund, the Energy Infrastructure Fund, and the  
8 Tax Compliance and Administration Fund as provided in this  
9 Section, beginning on July 1, 2018 the Department shall pay  
10 each month into the Downstate Public Transportation Fund the  
11 moneys required to be so paid under Section 2-3 of the  
12 Downstate Public Transportation Act.

13 Subject to successful execution and delivery of a  
14 public-private agreement between the public agency and private  
15 entity and completion of the civic build, beginning on July 1,  
16 2023, of the remainder of the moneys received by the  
17 Department under the Use Tax Act, the Service Use Tax Act, the  
18 Service Occupation Tax Act, and this Act, the Department shall  
19 deposit the following specified deposits in the aggregate from  
20 collections under the Use Tax Act, the Service Use Tax Act, the  
21 Service Occupation Tax Act, and the Retailers' Occupation Tax  
22 Act, as required under Section 8.25g of the State Finance Act  
23 for distribution consistent with the Public-Private  
24 Partnership for Civic and Transit Infrastructure Project Act.  
25 The moneys received by the Department pursuant to this Act and  
26 required to be deposited into the Civic and Transit

1 Infrastructure Fund are subject to the pledge, claim, and  
 2 charge set forth in Section 25-55 of the Public-Private  
 3 Partnership for Civic and Transit Infrastructure Project Act.  
 4 As used in this paragraph, "civic build", "private entity",  
 5 "public-private agreement", and "public agency" have the  
 6 meanings provided in Section 25-10 of the Public-Private  
 7 Partnership for Civic and Transit Infrastructure Project Act.

8	Fiscal Year.....	Total Deposit
9	2024 .....	\$200,000,000
10	2025 .....	\$206,000,000
11	2026 .....	\$212,200,000
12	2027 .....	\$218,500,000
13	2028 .....	\$225,100,000
14	2029 .....	\$288,700,000
15	2030 .....	\$298,900,000
16	2031 .....	\$309,300,000
17	2032 .....	\$320,100,000
18	2033 .....	\$331,200,000
19	2034 .....	\$341,200,000
20	2035 .....	\$351,400,000
21	2036 .....	\$361,900,000
22	2037 .....	\$372,800,000
23	2038 .....	\$384,000,000
24	2039 .....	\$395,500,000
25	2040 .....	\$407,400,000
26	2041 .....	\$419,600,000

1           2042 ..... \$432,200,000

2           2043 ..... \$445,100,000

3           Beginning July 1, 2021 and until July 1, 2022, subject to  
4 the payment of amounts into the State and Local Sales Tax  
5 Reform Fund, the Build Illinois Fund, the McCormick Place  
6 Expansion Project Fund, the Illinois Tax Increment Fund, the  
7 Energy Infrastructure Fund, and the Tax Compliance and  
8 Administration Fund as provided in this Section, the  
9 Department shall pay each month into the Road Fund the amount  
10 estimated to represent 16% of the net revenue realized from  
11 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
12 2022 and until July 1, 2023, subject to the payment of amounts  
13 into the State and Local Sales Tax Reform Fund, the Build  
14 Illinois Fund, the McCormick Place Expansion Project Fund, the  
15 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
16 and the Tax Compliance and Administration Fund as provided in  
17 this Section, the Department shall pay each month into the  
18 Road Fund the amount estimated to represent 32% of the net  
19 revenue realized from the taxes imposed on motor fuel and  
20 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
21 subject to the payment of amounts into the State and Local  
22 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick  
23 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
24 the Energy Infrastructure Fund, and the Tax Compliance and  
25 Administration Fund as provided in this Section, the  
26 Department shall pay each month into the Road Fund the amount

1 estimated to represent 48% of the net revenue realized from  
2 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
3 2024 and until July 1, 2025, subject to the payment of amounts  
4 into the State and Local Sales Tax Reform Fund, the Build  
5 Illinois Fund, the McCormick Place Expansion Project Fund, the  
6 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
7 and the Tax Compliance and Administration Fund as provided in  
8 this Section, the Department shall pay each month into the  
9 Road Fund the amount estimated to represent 64% of the net  
10 revenue realized from the taxes imposed on motor fuel and  
11 gasohol. Beginning on July 1, 2025, subject to the payment of  
12 amounts into the State and Local Sales Tax Reform Fund, the  
13 Build Illinois Fund, the McCormick Place Expansion Project  
14 Fund, the Illinois Tax Increment Fund, the Energy  
15 Infrastructure Fund, and the Tax Compliance and Administration  
16 Fund as provided in this Section, the Department shall pay  
17 each month into the Road Fund the amount estimated to  
18 represent 80% of the net revenue realized from the taxes  
19 imposed on motor fuel and gasohol. As used in this paragraph  
20 "motor fuel" has the meaning given to that term in Section 1.1  
21 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning  
22 given to that term in Section 3-40 of this Act.

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

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

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

21 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
22 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
23 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section  
24 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
25 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

1           Section 60-20. The Service Use Tax Act is amended by  
2 changing Sections 3-10 and 9 as follows:

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

4           Sec. 3-10. Rate of tax. Unless otherwise provided in this  
5 Section, the tax imposed by this Act is at the rate of 6.25% of  
6 the selling price of tangible personal property transferred as  
7 an incident to the sale of service, but, for the purpose of  
8 computing this tax, in no event shall the selling price be less  
9 than the cost price of the property to the serviceman.

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 applies to (i) 70% of the selling price  
16 of property transferred as an incident to the sale of service  
17 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
18 of the selling price of property transferred as an incident to  
19 the sale of service on or after July 1, 2003 and on or before  
20 July 1, 2017, and (iii) 100% of the selling price thereafter.  
21 If, at any time, however, the tax under this Act on sales of  
22 gasohol, as defined in the Use Tax Act, is imposed at the rate  
23 of 1.25%, then the tax imposed by this Act applies to 100% of  
24 the proceeds of sales of gasohol made during that time.

25           With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply  
2 to the selling price of property transferred as an incident to  
3 the sale of service on or after July 1, 2003 and on or before  
4 December 31, 2023 but applies to 100% of the selling price  
5 thereafter.

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

18 With respect to 100% biodiesel, as defined in the Use Tax  
19 Act, and biodiesel blends, as defined in the Use Tax Act, with  
20 more than 10% but no more than 99% biodiesel, the tax imposed  
21 by this Act does not apply to the proceeds of the selling price  
22 of property transferred as an incident to the sale of service  
23 on or after July 1, 2003 and on or before December 31, 2023 but  
24 applies to 100% of the selling price 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  
5 aggregate annual total gross receipts from all sales of  
6 service, the tax imposed by this Act shall be based on the  
7 serviceman's cost price of the tangible personal property  
8 transferred as an incident to the sale of those services.

9 Until July 1, 2022 and beginning again on July 1, 2023, the  
10 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for  
11 immediate consumption and transferred incident to a sale of  
12 service subject to this Act or the Service Occupation Tax Act  
13 by an entity licensed under the Hospital Licensing Act, the  
14 Nursing Home Care Act, the Assisted Living and Shared Housing  
15 Act, the ID/DD Community Care Act, the MC/DD Act, the  
16 Specialized Mental Health Rehabilitation Act of 2013, or the  
17 Child Care Act of 1969, or an entity that holds a permit issued  
18 pursuant to the Life Care Facilities Act. Until July 1, 2022  
19 and beginning again on July 1, 2023, the ~~The~~ tax shall also be  
20 imposed at the rate of 1% on food for human consumption that is  
21 to be consumed off the premises where it is sold (other than  
22 alcoholic beverages, food consisting of or infused with adult  
23 use cannabis, soft drinks, and food that has been prepared for  
24 immediate consumption and is not otherwise included in this  
25 paragraph).

26 Beginning on July 1, 2022 and until July 1, 2023, the tax



1 shall be imposed at the rate of 0% on food prepared for  
2 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 Assisted Living and Shared Housing  
6 Act, the ID/DD Community Care Act, the MC/DD Act, the  
7 Specialized Mental Health Rehabilitation Act of 2013, or the  
8 Child Care Act of 1969, or an entity that holds a permit issued  
9 pursuant to the Life Care Facilities Act. Beginning on July 1,  
10 2022 and until July 1, 2023, the tax shall also be imposed at  
11 the rate of 0% on food for human consumption that is to be  
12 consumed off the premises where it is sold (other than  
13 alcoholic beverages, food consisting of or infused with adult  
14 use cannabis, soft drinks, and food that has been prepared for  
15 immediate consumption and is not otherwise included in this  
16 paragraph).

17 The tax shall also be imposed at the rate of 1% on ~~and~~  
18 prescription and nonprescription medicines, drugs, medical  
19 appliances, products classified as Class III medical devices  
20 by the United States Food and Drug Administration that are  
21 used for cancer treatment pursuant to a prescription, as well  
22 as any accessories and components related to those devices,  
23 modifications to a motor vehicle for the purpose of rendering  
24 it usable by a person with a disability, and insulin, blood  
25 sugar testing materials, syringes, and needles used by human  
26 diabetics. For the purposes of this Section, until September

1 1, 2009: the term "soft drinks" means any complete, finished,  
2 ready-to-use, non-alcoholic drink, whether carbonated or not,  
3 including but not limited to soda water, cola, fruit juice,  
4 vegetable juice, carbonated water, and all other preparations  
5 commonly known as soft drinks of whatever kind or description  
6 that are contained in any closed or sealed bottle, can,  
7 carton, or container, regardless of size; but "soft drinks"  
8 does not include coffee, tea, non-carbonated water, infant  
9 formula, milk or milk products as defined in the Grade A  
10 Pasteurized Milk and Milk Products Act, or drinks containing  
11 50% or more natural fruit or vegetable juice.

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

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

1 through a vending machine, except soft drinks, candy, and food  
2 products that are dispensed hot from a vending machine,  
3 regardless of the location of the vending machine.

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

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

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

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

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

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

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

21 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
22 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

23 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

24 Sec. 9. Each serviceman required or authorized to collect  
25 the tax herein imposed shall pay to the Department the amount

1 of such tax (except as otherwise provided) at the time when he  
2 is required to file his return for the period during which such  
3 tax was collected, less a discount of 2.1% prior to January 1,  
4 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
5 year, whichever is greater, which is allowed to reimburse the  
6 serviceman for expenses incurred in collecting the tax,  
7 keeping records, preparing and filing returns, remitting the  
8 tax and supplying data to the Department on request. When  
9 determining the discount allowed under this Section,  
10 servicemen shall include the amount of tax that would have  
11 been due at the 1% rate but for the 0% rate imposed under this  
12 amendatory Act of the 102nd General Assembly. The discount  
13 under this Section is not allowed for the 1.25% portion of  
14 taxes paid on aviation fuel that is subject to the revenue use  
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The  
16 discount allowed under this Section is allowed only for  
17 returns that are filed in the manner required by this Act. The  
18 Department may disallow the discount for servicemen whose  
19 certificate of registration is revoked at the time the return  
20 is filed, but only if the Department's decision to revoke the  
21 certificate of registration has become final. A serviceman  
22 need not remit that part of any tax collected by him to the  
23 extent that he is required to pay and does pay the tax imposed  
24 by the Service Occupation Tax Act with respect to his sale of  
25 service involving the incidental transfer by him of the same  
26 property.

1 Except as provided hereinafter in this Section, on or  
2 before the twentieth day of each calendar month, such  
3 serviceman shall file a return for the preceding calendar  
4 month in accordance with reasonable Rules and Regulations to  
5 be promulgated by the Department. Such return shall be filed  
6 on a form prescribed by the Department and shall contain such  
7 information as the Department may reasonably require. The  
8 return shall include the gross receipts which were received  
9 during the preceding calendar month or quarter on the  
10 following items upon which tax would have been due but for the  
11 0% rate imposed under this amendatory Act of the 102nd General  
12 Assembly: (i) food for human consumption that is to be  
13 consumed off the premises where it is sold (other than  
14 alcoholic beverages, food consisting of or infused with adult  
15 use cannabis, soft drinks, and food that has been prepared for  
16 immediate consumption); and (ii) food prepared for immediate  
17 consumption and transferred incident to a sale of service  
18 subject to this Act or the Service Occupation Tax Act by an  
19 entity licensed under the Hospital Licensing Act, the Nursing  
20 Home Care Act, the Assisted Living and Shared Housing Act, the  
21 ID/DD Community Care Act, the MC/DD Act, the Specialized  
22 Mental Health Rehabilitation Act of 2013, or the Child Care  
23 Act of 1969, or an entity that holds a permit issued pursuant  
24 to the Life Care Facilities Act. The return shall also include  
25 the amount of tax that would have been due on the items listed  
26 in the previous sentence but for the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly.

2 On and after January 1, 2018, with respect to servicemen  
3 whose annual gross receipts average \$20,000 or more, all  
4 returns required to be filed pursuant to this Act shall be  
5 filed electronically. Servicemen who demonstrate that they do  
6 not have access to the Internet or demonstrate hardship in  
7 filing electronically may petition the Department to waive the  
8 electronic filing requirement.

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

- 16 1. The name of the seller;
- 17 2. The address of the principal place of business from  
18 which he engages in business as a serviceman in this  
19 State;
- 20 3. The total amount of taxable receipts received by  
21 him during the preceding calendar month, including  
22 receipts from charge and time sales, but less all  
23 deductions allowed by law;
- 24 4. The amount of credit provided in Section 2d of this  
25 Act;
- 26 5. The amount of tax due;

1           5-5. The signature of the taxpayer; and

2           6. Such other reasonable information as the Department  
3           may require.

4           Each serviceman required or authorized to collect the tax  
5           imposed by this Act on aviation fuel transferred as an  
6           incident of a sale of service in this State during the  
7           preceding calendar month shall, instead of reporting and  
8           paying tax on aviation fuel as otherwise required by this  
9           Section, report and pay such tax on a separate aviation fuel  
10          tax return. The requirements related to the return shall be as  
11          otherwise provided in this Section. Notwithstanding any other  
12          provisions of this Act to the contrary, servicemen collecting  
13          tax on aviation fuel shall file all aviation fuel tax returns  
14          and shall make all aviation fuel tax payments by electronic  
15          means in the manner and form required by the Department. For  
16          purposes of this Section, "aviation fuel" means jet fuel and  
17          aviation gasoline.

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

22          Notwithstanding any other provision of this Act to the  
23          contrary, servicemen subject to tax on cannabis shall file all  
24          cannabis tax returns and shall make all cannabis tax payments  
25          by electronic means in the manner and form required by the  
26          Department.



1           Beginning October 1, 1993, a taxpayer who has an average  
2 monthly tax liability of \$150,000 or more shall make all  
3 payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1994, a taxpayer who has  
5 an average monthly tax liability of \$100,000 or more shall  
6 make all payments required by rules of the Department by  
7 electronic funds transfer. Beginning October 1, 1995, a  
8 taxpayer who has an average monthly tax liability of \$50,000  
9 or more shall make all payments required by rules of the  
10 Department by electronic funds transfer. Beginning October 1,  
11 2000, a taxpayer who has an annual tax liability of \$200,000 or  
12 more shall make all payments required by rules of the  
13 Department by electronic funds transfer. The term "annual tax  
14 liability" shall be the sum of the taxpayer's liabilities  
15 under this Act, and under all other State and local occupation  
16 and use tax laws administered by the Department, for the  
17 immediately preceding calendar year. The term "average monthly  
18 tax liability" means the sum of the taxpayer's liabilities  
19 under this Act, and under all other State and local occupation  
20 and use tax laws administered by the Department, for the  
21 immediately preceding calendar year divided by 12. Beginning  
22 on October 1, 2002, a taxpayer who has a tax liability in the  
23 amount set forth in subsection (b) of Section 2505-210 of the  
24 Department of Revenue Law shall make all payments required by  
25 rules of the Department by electronic funds transfer.

26           Before August 1 of each year beginning in 1993, the

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

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

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

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

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

26 If the serviceman is otherwise required to file a monthly

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

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

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

16 Where a serviceman collects the tax with respect to the  
17 selling price of property which he sells and the purchaser  
18 thereafter returns such property and the serviceman refunds  
19 the selling price thereof to the purchaser, such serviceman  
20 shall also refund, to the purchaser, the tax so collected from  
21 the purchaser. When filing his return for the period in which  
22 he refunds such tax to the purchaser, the serviceman may  
23 deduct the amount of the tax so refunded by him to the  
24 purchaser from any other Service Use Tax, Service Occupation  
25 Tax, retailers' occupation tax or use tax which such  
26 serviceman may be required to pay or remit to the Department,

1 as shown by such return, provided that the amount of the tax to  
2 be deducted shall previously have been remitted to the  
3 Department by such serviceman. If the serviceman shall not  
4 previously have remitted the amount of such tax to the  
5 Department, he shall be entitled to no deduction hereunder  
6 upon refunding such tax to the purchaser.

7 Any serviceman filing a return hereunder shall also  
8 include the total tax upon the selling price of tangible  
9 personal property purchased for use by him as an incident to a  
10 sale of service, and such serviceman shall remit the amount of  
11 such tax to the Department when filing such return.

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the State and Local Tax Reform Fund, a special fund in  
25 the State Treasury, the net revenue realized for the preceding  
26 month from the 1% tax imposed under this Act.

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the State and Local Sales Tax Reform Fund 20% of the  
3 net revenue realized for the preceding month from the 6.25%  
4 general rate on transfers of tangible personal property, other  
5 than (i) tangible personal property which is purchased outside  
6 Illinois at retail from a retailer and which is titled or  
7 registered by an agency of this State's government and (ii)  
8 aviation fuel sold on or after December 1, 2019. This  
9 exception for aviation fuel only applies for so long as the  
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
11 47133 are binding on the State.

12           For aviation fuel sold on or after December 1, 2019, each  
13 month the Department shall pay into the State Aviation Program  
14 Fund 20% of the net revenue realized for the preceding month  
15 from the 6.25% general rate on the selling price of aviation  
16 fuel, less an amount estimated by the Department to be  
17 required for refunds of the 20% portion of the tax on aviation  
18 fuel under this Act, which amount shall be deposited into the  
19 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
20 pay moneys into the State Aviation Program Fund and the  
21 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
22 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
23 U.S.C. 47133 are binding on the State.

24           Beginning August 1, 2000, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund 100% of the  
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol.

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

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

24 Beginning July 1, 2015, of the remainder of the moneys  
25 received by the Department under the Use Tax Act, this Act, the  
26 Service Occupation Tax Act, and the Retailers' Occupation Tax

1 Act, each month the Department shall deposit \$500,000 into the  
2 State Crime Laboratory Fund.

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

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



1 than the amount required to be transferred in such month from  
2 the Build Illinois Bond Account to the Build Illinois Bond  
3 Retirement and Interest Fund pursuant to Section 13 of the  
4 Build Illinois Bond Act, an amount equal to such deficiency  
5 shall be immediately paid from other moneys received by the  
6 Department pursuant to the Tax Acts to the Build Illinois  
7 Fund; provided, however, that any amounts paid to the Build  
8 Illinois Fund in any fiscal year pursuant to this sentence  
9 shall be deemed to constitute payments pursuant to clause (b)  
10 of the preceding sentence and shall reduce the amount  
11 otherwise payable for such fiscal year pursuant to clause (b)  
12 of the preceding sentence. The moneys received by the  
13 Department pursuant to this Act and required to be deposited  
14 into the Build Illinois Fund are subject to the pledge, claim  
15 and charge set forth in Section 12 of the Build Illinois Bond  
16 Act.

17 Subject to payment of amounts into the Build Illinois Fund  
18 as provided in the preceding paragraph or in any amendment  
19 thereto hereafter enacted, the following specified monthly  
20 installment of the amount requested in the certificate of the  
21 Chairman of the Metropolitan Pier and Exposition Authority  
22 provided under Section 8.25f of the State Finance Act, but not  
23 in excess of the sums designated as "Total Deposit", shall be  
24 deposited in the aggregate from collections under Section 9 of  
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
26 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place  
2 Expansion Project Fund in the specified fiscal years.

3	Fiscal Year	Total Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	93,000,000
14	2003	99,000,000
15	2004	103,000,000
16	2005	108,000,000
17	2006	113,000,000
18	2007	119,000,000
19	2008	126,000,000
20	2009	132,000,000
21	2010	139,000,000
22	2011	146,000,000
23	2012	153,000,000
24	2013	161,000,000
25	2014	170,000,000

1	2015	179,000,000
2	2016	189,000,000
3	2017	199,000,000
4	2018	210,000,000
5	2019	221,000,000
6	2020	233,000,000
7	2021	300,000,000
8	2022	300,000,000
9	2023	300,000,000
10	2024	300,000,000
11	2025	300,000,000
12	2026	300,000,000
13	2027	375,000,000
14	2028	375,000,000
15	2029	375,000,000
16	2030	375,000,000
17	2031	375,000,000
18	2032	375,000,000
19	2033	375,000,000
20	2034	375,000,000
21	2035	375,000,000
22	2036	450,000,000

23                   and  
24                   each fiscal year  
25                   thereafter that bonds  
26                   are outstanding under

1           Section 13.2 of the  
2           Metropolitan Pier and  
3           Exposition Authority Act,  
4       but not after fiscal year 2060.

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

18           Subject to payment of amounts into the Capital Projects  
19      Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
20      and the McCormick Place Expansion Project Fund pursuant to the  
21      preceding paragraphs or in any amendments thereto hereafter  
22      enacted, for aviation fuel sold on or after December 1, 2019,  
23      the Department shall each month deposit into the Aviation Fuel  
24      Sales Tax Refund Fund an amount estimated by the Department to  
25      be required for refunds of the 80% portion of the tax on  
26      aviation fuel under this Act. The Department shall only

1 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
2 under this paragraph for so long as the revenue use  
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
4 binding on the State.

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

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

26 Subject to payment of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, the Illinois  
2 Tax Increment Fund, and the Energy Infrastructure Fund  
3 pursuant to the preceding paragraphs or in any amendments to  
4 this Section hereafter enacted, beginning on the first day of  
5 the first calendar month to occur on or after August 26, 2014  
6 (the effective date of Public Act 98-1098), each month, from  
7 the collections made under Section 9 of the Use Tax Act,  
8 Section 9 of the Service Use Tax Act, Section 9 of the Service  
9 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
10 Tax Act, the Department shall pay into the Tax Compliance and  
11 Administration Fund, to be used, subject to appropriation, to  
12 fund additional auditors and compliance personnel at the  
13 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
14 the cash receipts collected during the preceding fiscal year  
15 by the Audit Bureau of the Department under the Use Tax Act,  
16 the Service Use Tax Act, the Service Occupation Tax Act, the  
17 Retailers' Occupation Tax Act, and associated local occupation  
18 and use taxes administered by the Department.

19 Subject to payments of amounts into the Build Illinois  
20 Fund, the McCormick Place Expansion Project Fund, the Illinois  
21 Tax Increment Fund, the Energy Infrastructure Fund, and the  
22 Tax Compliance and Administration Fund as provided in this  
23 Section, beginning on July 1, 2018 the Department shall pay  
24 each month into the Downstate Public Transportation Fund the  
25 moneys required to be so paid under Section 2-3 of the  
26 Downstate Public Transportation Act.

1 Subject to successful execution and delivery of a  
 2 public-private agreement between the public agency and private  
 3 entity and completion of the civic build, beginning on July 1,  
 4 2023, of the remainder of the moneys received by the  
 5 Department under the Use Tax Act, the Service Use Tax Act, the  
 6 Service Occupation Tax Act, and this Act, the Department shall  
 7 deposit the following specified deposits in the aggregate from  
 8 collections under the Use Tax Act, the Service Use Tax Act, the  
 9 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 10 Act, as required under Section 8.25g of the State Finance Act  
 11 for distribution consistent with the Public-Private  
 12 Partnership for Civic and Transit Infrastructure Project Act.  
 13 The moneys received by the Department pursuant to this Act and  
 14 required to be deposited into the Civic and Transit  
 15 Infrastructure Fund are subject to the pledge, claim, and  
 16 charge set forth in Section 25-55 of the Public-Private  
 17 Partnership for Civic and Transit Infrastructure Project Act.  
 18 As used in this paragraph, "civic build", "private entity",  
 19 "public-private agreement", and "public agency" have the  
 20 meanings provided in Section 25-10 of the Public-Private  
 21 Partnership for Civic and Transit Infrastructure Project Act.

22	Fiscal Year.....	Total Deposit
23	2024 .....	\$200,000,000
24	2025 .....	\$206,000,000
25	2026 .....	\$212,200,000
26	2027 .....	\$218,500,000

1	2028	.....	\$225,100,000
2	2029	.....	\$288,700,000
3	2030	.....	\$298,900,000
4	2031	.....	\$309,300,000
5	2032	.....	\$320,100,000
6	2033	.....	\$331,200,000
7	2034	.....	\$341,200,000
8	2035	.....	\$351,400,000
9	2036	.....	\$361,900,000
10	2037	.....	\$372,800,000
11	2038	.....	\$384,000,000
12	2039	.....	\$395,500,000
13	2040	.....	\$407,400,000
14	2041	.....	\$419,600,000
15	2042	.....	\$432,200,000
16	2043	.....	\$445,100,000

17           Beginning July 1, 2021 and until July 1, 2022, subject to  
18 the payment of amounts into the State and Local Sales Tax  
19 Reform Fund, the Build Illinois Fund, the McCormick Place  
20 Expansion Project Fund, the Illinois Tax Increment Fund, the  
21 Energy Infrastructure Fund, and the Tax Compliance and  
22 Administration Fund as provided in this Section, the  
23 Department shall pay each month into the Road Fund the amount  
24 estimated to represent 16% of the net revenue realized from  
25 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
26 2022 and until July 1, 2023, subject to the payment of amounts



1 into the State and Local Sales Tax Reform Fund, the Build  
2 Illinois Fund, the McCormick Place Expansion Project Fund, the  
3 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
4 and the Tax Compliance and Administration Fund as provided in  
5 this Section, the Department shall pay each month into the  
6 Road Fund the amount estimated to represent 32% of the net  
7 revenue realized from the taxes imposed on motor fuel and  
8 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
9 subject to the payment of amounts into the State and Local  
10 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick  
11 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
12 the Energy Infrastructure Fund, and the Tax Compliance and  
13 Administration Fund as provided in this Section, the  
14 Department shall pay each month into the Road Fund the amount  
15 estimated to represent 48% of the net revenue realized from  
16 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
17 2024 and until July 1, 2025, subject to the payment of amounts  
18 into the State and Local Sales Tax Reform Fund, the Build  
19 Illinois Fund, the McCormick Place Expansion Project Fund, the  
20 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
21 and the Tax Compliance and Administration Fund as provided in  
22 this Section, the Department shall pay each month into the  
23 Road Fund the amount estimated to represent 64% of the net  
24 revenue realized from the taxes imposed on motor fuel and  
25 gasohol. Beginning on July 1, 2025, subject to the payment of  
26 amounts into the State and Local Sales Tax Reform Fund, the

1 Build Illinois Fund, the McCormick Place Expansion Project  
2 Fund, the Illinois Tax Increment Fund, the Energy  
3 Infrastructure Fund, and the Tax Compliance and Administration  
4 Fund as provided in this Section, the Department shall pay  
5 each month into the Road Fund the amount estimated to  
6 represent 80% of the net revenue realized from the taxes  
7 imposed on motor fuel and gasohol. As used in this paragraph  
8 "motor fuel" has the meaning given to that term in Section 1.1  
9 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning  
10 given to that term in Section 3-40 of the Use Tax Act.

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

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

25 Net revenue realized for a month shall be the revenue  
26 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for  
2 overpayment of liability.

3 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
4 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
5 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section  
6 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
7 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

8 Section 60-25. The Service Occupation Tax Act is amended  
9 by changing Sections 3-10 and 9 as follows:

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

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 the "selling price", as defined in Section 2 of the Service Use  
14 Tax Act, of the tangible personal property. For the purpose of  
15 computing this tax, in no event shall the "selling price" be  
16 less than the cost price to the serviceman of the tangible  
17 personal property transferred. The selling price of each item  
18 of tangible personal property transferred as an incident of a  
19 sale of service may be shown as a distinct and separate item on  
20 the serviceman's billing to the service customer. If the  
21 selling price is not so shown, the selling price of the  
22 tangible personal property is deemed to be 50% of the  
23 serviceman's entire billing to the service customer. When,  
24 however, a serviceman contracts to design, develop, and

1 produce special order machinery or equipment, the tax imposed  
2 by this Act shall be based on the serviceman's cost price of  
3 the tangible personal property transferred incident to the  
4 completion of the contract.

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

9 With respect to gasohol, as defined in the Use Tax Act, the  
10 tax imposed by this Act shall apply to (i) 70% of the cost  
11 price of property transferred as an incident to the sale of  
12 service on or after January 1, 1990, and before July 1, 2003,  
13 (ii) 80% of the selling price of property transferred as an  
14 incident to the sale of service on or after July 1, 2003 and on  
15 or before July 1, 2017, and (iii) 100% of the cost price  
16 thereafter. If, at any time, however, the tax under this Act on  
17 sales of gasohol, as defined in the Use Tax Act, is imposed at  
18 the rate of 1.25%, then the tax imposed by this Act applies to  
19 100% of the proceeds of sales of gasohol made during that time.

20 With respect to majority blended ethanol fuel, as defined  
21 in the Use Tax Act, the tax imposed by this Act does not apply  
22 to the selling price of property transferred as an incident to  
23 the sale of service on or after July 1, 2003 and on or before  
24 December 31, 2023 but applies to 100% of the selling price  
25 thereafter.

26 With respect to biodiesel blends, as defined in the Use

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

12 With respect to 100% biodiesel, as defined in the Use Tax  
13 Act, and biodiesel blends, as defined in the Use Tax Act, with  
14 more than 10% but no more than 99% biodiesel material, the tax  
15 imposed by this Act does not apply to the proceeds of the  
16 selling price of property transferred as an incident to the  
17 sale of service on or after July 1, 2003 and on or before  
18 December 31, 2023 but applies to 100% of the selling price  
19 thereafter.

20 At the election of any registered serviceman made for each  
21 fiscal year, sales of service in which the aggregate annual  
22 cost price of tangible personal property transferred as an  
23 incident to the sales of service is less than 35%, or 75% in  
24 the case of servicemen transferring prescription drugs or  
25 servicemen engaged in graphic arts production, of the  
26 aggregate annual total gross receipts from all sales of

1 service, the tax imposed by this Act shall be based on the  
2 serviceman's cost price of the tangible personal property  
3 transferred incident to the sale of those services.

4 Until July 1, 2022 and beginning again on July 1, 2023, the  
5 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for  
6 immediate consumption and transferred incident to a sale of  
7 service subject to this Act or the Service Use ~~Occupation~~ Tax  
8 Act by an entity licensed under the Hospital Licensing Act,  
9 the Nursing Home Care Act, the Assisted Living and Shared  
10 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the  
11 Specialized Mental Health Rehabilitation Act of 2013, or the  
12 Child Care Act of 1969, or an entity that holds a permit issued  
13 pursuant to the Life Care Facilities Act. Until July 1, 2022  
14 and beginning again on July 1, 2023, the ~~The~~ tax shall also be  
15 imposed at the rate of 1% on food for human consumption that is  
16 to be consumed off the premises where it is sold (other than  
17 alcoholic beverages, food consisting of or infused with adult  
18 use cannabis, soft drinks, and food that has been prepared for  
19 immediate consumption and is not otherwise included in this  
20 paragraph).

21 Beginning on July 1, 2022 and until July 1, 2023, the tax  
22 shall be imposed at the rate of 0% on food prepared for  
23 immediate consumption and transferred incident to a sale of  
24 service subject to this Act or the Service Use Tax Act by an  
25 entity licensed under the Hospital Licensing Act, the Nursing  
26 Home Care Act, the Assisted Living and Shared Housing Act, the

1 ID/DD Community Care Act, the MC/DD Act, the Specialized  
2 Mental Health Rehabilitation Act of 2013, or the Child Care  
3 Act of 1969, or an entity that holds a permit issued pursuant  
4 to the Life Care Facilities Act. Beginning July 1, 2022 and  
5 until July 1, 2023, the tax shall also be imposed at the rate  
6 of 0% on food for human consumption that is to be consumed off  
7 the premises where it is sold (other than alcoholic beverages,  
8 food consisting of or infused with adult use cannabis, soft  
9 drinks, and food that has been prepared for immediate  
10 consumption and is not otherwise included in this paragraph).

11 The tax shall also be imposed at the rate of 1% on ~~and~~  
12 prescription and nonprescription medicines, drugs, medical  
13 appliances, products classified as Class III medical devices  
14 by the United States Food and Drug Administration that are  
15 used for cancer treatment pursuant to a prescription, as well  
16 as any accessories and components related to those devices,  
17 modifications to a motor vehicle for the purpose of rendering  
18 it usable by a person with a disability, and insulin, blood  
19 sugar testing materials, syringes, and needles used by human  
20 diabetics. For the purposes of this Section, until September  
21 1, 2009: the term "soft drinks" means any complete, finished,  
22 ready-to-use, non-alcoholic drink, whether carbonated or not,  
23 including but not limited to soda water, cola, fruit juice,  
24 vegetable juice, carbonated water, and all other preparations  
25 commonly known as soft drinks of whatever kind or description  
26 that are contained in any closed or sealed can, carton, or

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

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

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

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "food for human consumption that  
26 is to be consumed off the premises where it is sold" does not



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

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

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

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

24 Beginning on January 1, 2014 (the effective date of Public  
25 Act 98-122), "prescription and nonprescription medicines and  
26 drugs" includes medical cannabis purchased from a registered

1 dispensing organization under the Compassionate Use of Medical  
2 Cannabis Program Act.

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

8 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
9 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

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

11 Sec. 9. Each serviceman required or authorized to collect  
12 the tax herein imposed shall pay to the Department the amount  
13 of such tax at the time when he is required to file his return  
14 for the period during which such tax was collectible, less a  
15 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
16 after January 1, 1990, or \$5 per calendar year, whichever is  
17 greater, which is allowed to reimburse the serviceman for  
18 expenses incurred in collecting the tax, keeping records,  
19 preparing and filing returns, remitting the tax and supplying  
20 data to the Department on request. When determining the  
21 discount allowed under this Section, servicemen shall include  
22 the amount of tax that would have been due at the 1% rate but  
23 for the 0% rate imposed under this amendatory Act of the 102nd  
24 General Assembly. The discount under this Section is not  
25 allowed for the 1.25% portion of taxes paid on aviation fuel

1 that is subject to the revenue use requirements of 49 U.S.C.  
2 47107(b) and 49 U.S.C. 47133. The discount allowed under this  
3 Section is allowed only for returns that are filed in the  
4 manner required by this Act. The Department may disallow the  
5 discount for servicemen whose certificate of registration is  
6 revoked at the time the return is filed, but only if the  
7 Department's decision to revoke the certificate of  
8 registration has become final.

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

17 Except as provided hereinafter in this Section, on or  
18 before the twentieth day of each calendar month, such  
19 serviceman shall file a return for the preceding calendar  
20 month in accordance with reasonable rules and regulations to  
21 be promulgated by the Department of Revenue. Such return shall  
22 be filed on a form prescribed by the Department and shall  
23 contain such information as the Department may reasonably  
24 require. The return shall include the gross receipts which  
25 were received during the preceding calendar month or quarter  
26 on the following items upon which tax would have been due but

1 for the 0% rate imposed under this amendatory Act of the 102nd  
2 General Assembly: (i) food for human consumption that is to be  
3 consumed off the premises where it is sold (other than  
4 alcoholic beverages, food consisting of or infused with adult  
5 use cannabis, soft drinks, and food that has been prepared for  
6 immediate consumption); and (ii) food prepared for immediate  
7 consumption and transferred incident to a sale of service  
8 subject to this Act or the Service Use Tax Act by an entity  
9 licensed under the Hospital Licensing Act, the Nursing Home  
10 Care Act, the Assisted Living and Shared Housing Act, the  
11 ID/DD Community Care Act, the MC/DD Act, the Specialized  
12 Mental Health Rehabilitation Act of 2013, or the Child Care  
13 Act of 1969, or an entity that holds a permit issued pursuant  
14 to the Life Care Facilities Act. The return shall also include  
15 the amount of tax that would have been due on the items listed  
16 in the previous sentence but for the 0% rate imposed under this  
17 amendatory Act of the 102nd General Assembly.

18 On and after January 1, 2018, with respect to servicemen  
19 whose annual gross receipts average \$20,000 or more, all  
20 returns required to be filed pursuant to this Act shall be  
21 filed electronically. Servicemen who demonstrate that they do  
22 not have access to the Internet or demonstrate hardship in  
23 filing electronically may petition the Department to waive the  
24 electronic filing requirement.

25 The Department may require returns to be filed on a  
26 quarterly basis. If so required, a return for each calendar

1 quarter shall be filed on or before the twentieth day of the  
2 calendar month following the end of such calendar quarter. The  
3 taxpayer shall also file a return with the Department for each  
4 of the first two months of each calendar quarter, on or before  
5 the twentieth day of the following calendar month, stating:

6 1. The name of the seller;

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

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

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

16 5. The amount of tax due;

17 5-5. The signature of the taxpayer; and

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

20 Each serviceman required or authorized to collect the tax  
21 herein imposed on aviation fuel acquired as an incident to the  
22 purchase of a service in this State during the preceding  
23 calendar month shall, instead of reporting and paying tax as  
24 otherwise required by this Section, report and pay such tax on  
25 a separate aviation fuel tax return. The requirements related  
26 to the return shall be as otherwise provided in this Section.

1 Notwithstanding any other provisions of this Act to the  
2 contrary, servicemen transferring aviation fuel incident to  
3 sales of service shall file all aviation fuel tax returns and  
4 shall make all aviation fuel tax payments by electronic means  
5 in the manner and form required by the Department. For  
6 purposes of this Section, "aviation fuel" means jet fuel and  
7 aviation gasoline.

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

12 Notwithstanding any other provision of this Act to the  
13 contrary, servicemen subject to tax on cannabis shall file all  
14 cannabis tax returns and shall make all cannabis tax payments  
15 by electronic means in the manner and form required by the  
16 Department.

17 Prior to October 1, 2003, and on and after September 1,  
18 2004 a serviceman may accept a Manufacturer's Purchase Credit  
19 certification from a purchaser in satisfaction of Service Use  
20 Tax as provided in Section 3-70 of the Service Use Tax Act if  
21 the purchaser provides the appropriate documentation as  
22 required by Section 3-70 of the Service Use Tax Act. A  
23 Manufacturer's Purchase Credit certification, accepted prior  
24 to October 1, 2003 or on or after September 1, 2004 by a  
25 serviceman as provided in Section 3-70 of the Service Use Tax  
26 Act, may be used by that serviceman to satisfy Service

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

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

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

1           Such quarter annual and annual returns, as to form and  
2 substance, shall be subject to the same requirements as  
3 monthly returns.

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

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



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

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

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

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

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

25 Where a serviceman collects the tax with respect to the  
26 selling price of tangible personal property which he sells and

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

16 If experience indicates such action to be practicable, the  
17 Department may prescribe and furnish a combination or joint  
18 return which will enable servicemen, who are required to file  
19 returns hereunder and also under the Retailers' Occupation Tax  
20 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
21 the return information required by all said Acts on the one  
22 form.

23 Where the serviceman has more than one business registered  
24 with the Department under separate registrations hereunder,  
25 such serviceman shall file separate returns for each  
26 registered business.

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the Local Government Tax Fund the revenue realized  
3 for the preceding month from the 1% tax imposed under this Act.

4           Beginning January 1, 1990, each month the Department shall  
5 pay into the County and Mass Transit District Fund 4% of the  
6 revenue realized for the preceding month from the 6.25%  
7 general rate on sales of tangible personal property other than  
8 aviation fuel sold on or after December 1, 2019. This  
9 exception for aviation fuel only applies for so long as the  
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
11 47133 are binding on the State.

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

16           Beginning January 1, 1990, each month the Department shall  
17 pay into the Local Government Tax Fund 16% of the revenue  
18 realized for the preceding month from the 6.25% general rate  
19 on transfers of tangible personal property other than aviation  
20 fuel sold on or after December 1, 2019. This exception for  
21 aviation fuel only applies for so long as the revenue use  
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
23 binding on the State.

24           For aviation fuel sold on or after December 1, 2019, each  
25 month the Department shall pay into the State Aviation Program  
26 Fund 20% of the net revenue realized for the preceding month

1 from the 6.25% general rate on the selling price of aviation  
2 fuel, less an amount estimated by the Department to be  
3 required for refunds of the 20% portion of the tax on aviation  
4 fuel under this Act, which amount shall be deposited into the  
5 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
6 pay moneys into the State Aviation Program Fund and the  
7 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
8 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
9 U.S.C. 47133 are binding on the State.

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

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  
22 pay into the Underground Storage Tank Fund from the proceeds  
23 collected under this Act, the Use Tax Act, the Service Use Tax  
24 Act, and the Retailers' Occupation Tax Act an amount equal to  
25 the average monthly deficit in the Underground Storage Tank  
26 Fund during the prior year, as certified annually by the

1 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 Use Tax Act, and the Retailers'  
4 Occupation Tax Act shall not exceed \$18,000,000 in any State  
5 fiscal year. As used in this paragraph, the "average monthly  
6 deficit" shall be equal to the difference between the average  
7 monthly claims for payment by the fund and the average monthly  
8 revenues deposited into the fund, excluding payments made  
9 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, the Service  
12 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
13 each month the Department shall deposit \$500,000 into the  
14 State Crime Laboratory Fund.

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

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

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

1 and charge set forth in Section 12 of the Build Illinois Bond  
2 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.

15	Fiscal Year	Total Deposit
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	300,000,000
20	2022	300,000,000
21	2023	300,000,000
22	2024	300,000,000
23	2025	300,000,000
24	2026	300,000,000
25	2027	375,000,000
26	2028	375,000,000

1	2029	375,000,000
2	2030	375,000,000
3	2031	375,000,000
4	2032	375,000,000
5	2033	375,000,000
6	2034	375,000,000
7	2035	375,000,000
8	2036	450,000,000

9 and

10 each fiscal year  
11 thereafter that bonds  
12 are outstanding under  
13 Section 13.2 of the  
14 Metropolitan Pier and  
15 Exposition Authority Act,  
16 but not after fiscal year 2060.

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

1 Fund, until the full amount requested for the fiscal year, but  
2 not in excess of the amount specified above as "Total  
3 Deposit", has been deposited.

4 Subject to payment of amounts into the Capital Projects  
5 Fund, the Build Illinois Fund, and the McCormick Place  
6 Expansion Project Fund pursuant to the preceding paragraphs or  
7 in any amendments thereto hereafter enacted, for aviation fuel  
8 sold on or after December 1, 2019, the Department shall each  
9 month deposit into the Aviation Fuel Sales Tax Refund Fund an  
10 amount estimated by the Department to be required for refunds  
11 of the 80% portion of the tax on aviation fuel under this Act.  
12 The Department shall only deposit moneys into the Aviation  
13 Fuel Sales Tax Refund Fund under this paragraph for so long as  
14 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
15 U.S.C. 47133 are binding on the State.

16 Subject to payment of amounts into the Build Illinois Fund  
17 and the McCormick Place Expansion Project Fund pursuant to the  
18 preceding paragraphs or in any amendments thereto hereafter  
19 enacted, beginning July 1, 1993 and ending on September 30,  
20 2013, the Department shall each month pay into the Illinois  
21 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
22 the preceding month from the 6.25% general rate on the selling  
23 price of tangible personal property.

24 Subject to payment of amounts into the Build Illinois Fund  
25 and the McCormick Place Expansion Project Fund pursuant to the  
26 preceding paragraphs or in any amendments thereto hereafter

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

11 Subject to payment of amounts into the Build Illinois  
12 Fund, the McCormick Place Expansion Project Fund, the Illinois  
13 Tax Increment Fund, and the Energy Infrastructure Fund  
14 pursuant to the preceding paragraphs or in any amendments to  
15 this Section hereafter enacted, beginning on the first day of  
16 the first calendar month to occur on or after August 26, 2014  
17 (the effective date of Public Act 98-1098), each month, from  
18 the collections made under Section 9 of the Use Tax Act,  
19 Section 9 of the Service Use Tax Act, Section 9 of the Service  
20 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
21 Tax Act, the Department shall pay into the Tax Compliance and  
22 Administration Fund, to be used, subject to appropriation, to  
23 fund additional auditors and compliance personnel at the  
24 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
25 the cash receipts collected during the preceding fiscal year  
26 by the Audit Bureau of the Department under the Use Tax Act,

1 the Service Use Tax Act, the Service Occupation Tax Act, the  
2 Retailers' Occupation Tax Act, and associated local occupation  
3 and use taxes administered by the Department.

4 Subject to payments of amounts into the Build Illinois  
5 Fund, the McCormick Place Expansion Project Fund, the Illinois  
6 Tax Increment Fund, the Energy Infrastructure Fund, and the  
7 Tax Compliance and Administration Fund as provided in this  
8 Section, beginning on July 1, 2018 the Department shall pay  
9 each month into the Downstate Public Transportation Fund the  
10 moneys required to be so paid under Section 2-3 of the  
11 Downstate Public Transportation Act.

12 Subject to successful execution and delivery of a  
13 public-private agreement between the public agency and private  
14 entity and completion of the civic build, beginning on July 1,  
15 2023, of the remainder of the moneys received by the  
16 Department under the Use Tax Act, the Service Use Tax Act, the  
17 Service Occupation Tax Act, and this Act, the Department shall  
18 deposit the following specified deposits in the aggregate from  
19 collections under the Use Tax Act, the Service Use Tax Act, the  
20 Service Occupation Tax Act, and the Retailers' Occupation Tax  
21 Act, as required under Section 8.25g of the State Finance Act  
22 for distribution consistent with the Public-Private  
23 Partnership for Civic and Transit Infrastructure Project Act.  
24 The moneys received by the Department pursuant to this Act and  
25 required to be deposited into the Civic and Transit  
26 Infrastructure Fund are subject to the pledge, claim and

1 charge set forth in Section 25-55 of the Public-Private  
 2 Partnership for Civic and Transit Infrastructure Project Act.  
 3 As used in this paragraph, "civic build", "private entity",  
 4 "public-private agreement", and "public agency" have the  
 5 meanings provided in Section 25-10 of the Public-Private  
 6 Partnership for Civic and Transit Infrastructure Project Act.

	Fiscal Year.....	Total Deposit
8	2024 .....	\$200,000,000
9	2025 .....	\$206,000,000
10	2026 .....	\$212,200,000
11	2027 .....	\$218,500,000
12	2028 .....	\$225,100,000
13	2029 .....	\$288,700,000
14	2030 .....	\$298,900,000
15	2031 .....	\$309,300,000
16	2032 .....	\$320,100,000
17	2033 .....	\$331,200,000
18	2034 .....	\$341,200,000
19	2035 .....	\$351,400,000
20	2036 .....	\$361,900,000
21	2037 .....	\$372,800,000
22	2038 .....	\$384,000,000
23	2039 .....	\$395,500,000
24	2040 .....	\$407,400,000
25	2041 .....	\$419,600,000
26	2042 .....	\$432,200,000

1           2043 ..... \$445,100,000

2           Beginning July 1, 2021 and until July 1, 2022, subject to  
3 the payment of amounts into the County and Mass Transit  
4 District Fund, the Local Government Tax Fund, the Build  
5 Illinois Fund, the McCormick Place Expansion Project Fund, the  
6 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
7 and the Tax Compliance and Administration Fund as provided in  
8 this Section, the Department shall pay each month into the  
9 Road Fund the amount estimated to represent 16% of the net  
10 revenue realized from the taxes imposed on motor fuel and  
11 gasohol. Beginning July 1, 2022 and until July 1, 2023,  
12 subject to the payment of amounts into the County and Mass  
13 Transit District Fund, the Local Government Tax Fund, the  
14 Build Illinois Fund, the McCormick Place Expansion Project  
15 Fund, the Illinois Tax Increment Fund, the Energy  
16 Infrastructure Fund, and the Tax Compliance and Administration  
17 Fund as provided in this Section, the Department shall pay  
18 each month into the Road Fund the amount estimated to  
19 represent 32% of the net revenue realized from the taxes  
20 imposed on motor fuel and gasohol. Beginning July 1, 2023 and  
21 until July 1, 2024, subject to the payment of amounts into the  
22 County and Mass Transit District Fund, the Local Government  
23 Tax Fund, the Build Illinois Fund, the McCormick Place  
24 Expansion Project Fund, the Illinois Tax Increment Fund, the  
25 Energy Infrastructure Fund, and the Tax Compliance and  
26 Administration Fund as provided in this Section, the

1 Department shall pay each month into the Road Fund the amount  
2 estimated to represent 48% of the net revenue realized from  
3 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
4 2024 and until July 1, 2025, subject to the payment of amounts  
5 into the County and Mass Transit District Fund, the Local  
6 Government Tax Fund, the Build Illinois Fund, the McCormick  
7 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
8 the Energy Infrastructure Fund, and the Tax Compliance and  
9 Administration Fund as provided in this Section, the  
10 Department shall pay each month into the Road Fund the amount  
11 estimated to represent 64% of the net revenue realized from  
12 the taxes imposed on motor fuel and gasohol. Beginning on July  
13 1, 2025, subject to the payment of amounts into the County and  
14 Mass Transit District Fund, the Local Government Tax Fund, the  
15 Build Illinois Fund, the McCormick Place Expansion Project  
16 Fund, the Illinois Tax Increment Fund, the Energy  
17 Infrastructure Fund, and the Tax Compliance and Administration  
18 Fund as provided in this Section, the Department shall pay  
19 each month into the Road Fund the amount estimated to  
20 represent 80% of the net revenue realized from the taxes  
21 imposed on motor fuel and gasohol. As used in this paragraph  
22 "motor fuel" has the meaning given to that term in Section 1.1  
23 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning  
24 given to that term in Section 3-40 of the Use Tax Act.

25 Of the remainder of the moneys received by the Department  
26 pursuant to this Act, 75% shall be paid into the General



1 Revenue Fund of the State Treasury and 25% shall be reserved in  
2 a special account and used only for the transfer to the Common  
3 School Fund as part of the monthly transfer from the General  
4 Revenue Fund in accordance with Section 8a of the State  
5 Finance Act.

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

1 or annual returns filed by such taxpayer as hereinbefore  
2 provided for in this Section.

3 If the annual information return required by this Section  
4 is not filed when and as required, the taxpayer shall be liable  
5 as follows:

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

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

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

24 The foregoing portion of this Section concerning the  
25 filing of an annual information return shall not apply to a  
26 serviceman who is not required to file an income tax return

1 with the United States Government.

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

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

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

21 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
22 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
23 15, Section 15-20, eff. 6-5-19; 101-10, Article 25, Section  
24 25-115, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
25 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

1 Section 60-30. The Retailers' Occupation Tax Act is  
2 amended by changing Sections 2-10 and 3 as follows:

3 (35 ILCS 120/2-10)

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

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 2-8 of  
14 this Act, the tax is imposed at the rate of 1.25%.

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

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

5 With respect to gasohol, as defined in the Use Tax Act, the  
6 tax imposed by this Act applies to (i) 70% of the proceeds of  
7 sales made on or after January 1, 1990, and before July 1,  
8 2003, (ii) 80% of the proceeds of sales made on or after July  
9 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
10 proceeds of sales made thereafter. If, at any time, however,  
11 the tax under this Act on sales of gasohol, as defined in the  
12 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
13 imposed by this Act applies to 100% of the proceeds of sales of  
14 gasohol made during that time.

15 With respect to majority blended ethanol fuel, as defined  
16 in the Use Tax Act, the tax imposed by this Act does not apply  
17 to the proceeds of sales made on or after July 1, 2003 and on  
18 or before December 31, 2023 but applies to 100% of the proceeds  
19 of sales made thereafter.

20 With respect to biodiesel blends, as defined in the Use  
21 Tax Act, with no less than 1% and no more than 10% biodiesel,  
22 the tax imposed by this Act applies to (i) 80% of the proceeds  
23 of sales made on or after July 1, 2003 and on or before  
24 December 31, 2018 and (ii) 100% of the proceeds of sales made  
25 thereafter. If, at any time, however, the tax under this Act on  
26 sales of biodiesel blends, as defined in the Use Tax Act, with

1 no less than 1% and no more than 10% biodiesel is imposed at  
2 the rate of 1.25%, then the tax imposed by this Act applies to  
3 100% of the proceeds of sales of biodiesel blends with no less  
4 than 1% and no more than 10% biodiesel made during that time.

5 With respect to 100% biodiesel, as defined in the Use Tax  
6 Act, and biodiesel blends, as defined in the Use Tax Act, with  
7 more than 10% but no more than 99% biodiesel, the tax imposed  
8 by this Act does not apply to the proceeds of sales made on or  
9 after July 1, 2003 and on or before December 31, 2023 but  
10 applies to 100% of the proceeds of sales made thereafter.

11 Until July 1, 2022 and beginning again on July 1, 2023,  
12 with ~~With~~ respect to food for human consumption that is to be  
13 consumed off the premises where it is sold (other than  
14 alcoholic beverages, food consisting of or infused with adult  
15 use cannabis, soft drinks, and food that has been prepared for  
16 immediate consumption), the tax is imposed at the rate of 1%.  
17 Beginning July 1, 2022 and until July 1, 2023, with respect to  
18 food for human consumption that is to be consumed off the  
19 premises where it is sold (other than alcoholic beverages,  
20 food consisting of or infused with adult use cannabis, soft  
21 drinks, and food that has been prepared for immediate  
22 consumption), the tax is imposed at the rate of 0%.

23 With respect to ~~and~~ prescription and nonprescription  
24 medicines, drugs, medical appliances, products classified as  
25 Class III medical devices by the United States Food and Drug  
26 Administration that are used for cancer treatment pursuant to

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

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

24 Until August 1, 2009, and notwithstanding any other  
25 provisions of this Act, "food for human consumption that is to  
26 be consumed off the premises where it is sold" includes all

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

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

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



1 definition of "over-the-counter-drugs". For the purposes of  
2 this paragraph, "over-the-counter-drug" means a drug for human  
3 use that contains a label that identifies the product as a drug  
4 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
5 label includes:

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

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

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

15 As used in this Section, "adult use cannabis" means  
16 cannabis subject to tax under the Cannabis Cultivation  
17 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
18 and does not include cannabis subject to tax under the  
19 Compassionate Use of Medical Cannabis Program Act.

20 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
21 102-4, eff. 4-27-21.)

22 (35 ILCS 120/3) (from Ch. 120, par. 442)

23 Sec. 3. Except as provided in this Section, on or before  
24 the twentieth day of each calendar month, every person engaged  
25 in the business of selling tangible personal property at

1 retail in this State during the preceding calendar month shall  
2 file a return with the Department, stating:

3 1. The name of the seller;

4 2. His residence address and the address of his  
5 principal place of business and the address of the  
6 principal place of business (if that is a different  
7 address) from which he engages in the business of selling  
8 tangible personal property at retail in this State;

9 3. Total amount of receipts received by him during the  
10 preceding calendar month or quarter, as the case may be,  
11 from sales of tangible personal property, and from  
12 services furnished, by him during such preceding calendar  
13 month or quarter;

14 4. Total amount received by him during the preceding  
15 calendar month or quarter on charge and time sales of  
16 tangible personal property, and from services furnished,  
17 by him prior to the month or quarter for which the return  
18 is filed;

19 5. Deductions allowed by law;

20 6. Gross receipts which were received by him during  
21 the preceding calendar month or quarter and upon the basis  
22 of which the tax is imposed, including gross receipts on  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages,  
25 food consisting of or infused with adult use cannabis,  
26 soft drinks, and food that has been prepared for immediate

1       consumption) which were received during the preceding  
2       calendar month or quarter and upon which tax would have  
3       been due but for the 0% rate imposed under this amendatory  
4       Act of the 102nd General Assembly;

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

7             8. The amount of tax due, including the amount of tax  
8       that would have been due on food for human consumption  
9       that is to be consumed off the premises where it is sold  
10       (other than alcoholic beverages, food consisting of or  
11       infused with adult use cannabis, soft drinks, and food  
12       that has been prepared for immediate consumption) but for  
13       the 0% rate imposed under this amendatory Act of the 102nd  
14       General Assembly;

15             9. The signature of the taxpayer; and

16             10. Such other reasonable information as the  
17       Department may require.

18       On and after January 1, 2018, except for returns for motor  
19       vehicles, watercraft, aircraft, and trailers that are required  
20       to be registered with an agency of this State, with respect to  
21       retailers whose annual gross receipts average \$20,000 or more,  
22       all returns required to be filed pursuant to this Act shall be  
23       filed electronically. Retailers who demonstrate that they do  
24       not have access to the Internet or demonstrate hardship in  
25       filing electronically may petition the Department to waive the  
26       electronic filing requirement.

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

5           Each return shall be accompanied by the statement of  
6 prepaid tax issued pursuant to Section 2e for which credit is  
7 claimed.

8           Prior to October 1, 2003, and on and after September 1,  
9 2004 a retailer may accept a Manufacturer's Purchase Credit  
10 certification from a purchaser in satisfaction of Use Tax as  
11 provided in Section 3-85 of the Use Tax Act if the purchaser  
12 provides the appropriate documentation as required by Section  
13 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
14 certification, accepted by a retailer prior to October 1, 2003  
15 and on and after September 1, 2004 as provided in Section 3-85  
16 of the Use Tax Act, may be used by that retailer to satisfy  
17 Retailers' Occupation Tax liability in the amount claimed in  
18 the certification, not to exceed 6.25% of the receipts subject  
19 to tax from a qualifying purchase. A Manufacturer's Purchase  
20 Credit reported on any original or amended return filed under  
21 this Act after October 20, 2003 for reporting periods prior to  
22 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
23 ~~Purchaser~~ Credit reported on annual returns due on or after  
24 January 1, 2005 will be disallowed for periods prior to  
25 September 1, 2004. No Manufacturer's Purchase Credit may be  
26 used after September 30, 2003 through August 31, 2004 to

1 satisfy any tax liability imposed under this Act, including  
2 any audit liability.

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

- 10 1. The name of the seller;
- 11 2. The address of the principal place of business from  
12 which he engages in the business of selling tangible  
13 personal property at retail in this State;
- 14 3. The total amount of taxable receipts received by  
15 him during the preceding calendar month from sales of  
16 tangible personal property by him during such preceding  
17 calendar month, including receipts from charge and time  
18 sales, but less all deductions allowed by law;
- 19 4. The amount of credit provided in Section 2d of this  
20 Act;
- 21 5. The amount of tax due; and
- 22 6. Such other reasonable information as the Department  
23 may require.

24 Every person engaged in the business of selling aviation  
25 fuel at retail in this State during the preceding calendar  
26 month shall, instead of reporting and paying tax as otherwise

1 required by this Section, report and pay such tax on a separate  
2 aviation fuel tax return. The requirements related to the  
3 return shall be as otherwise provided in this Section.  
4 Notwithstanding any other provisions of this Act to the  
5 contrary, retailers selling aviation fuel shall file all  
6 aviation fuel tax returns and shall make all aviation fuel tax  
7 payments by electronic means in the manner and form required  
8 by the Department. For purposes of this Section, "aviation  
9 fuel" means jet fuel and aviation gasoline.

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

24 Beginning on October 1, 2003, every distributor, importing  
25 distributor, and manufacturer of alcoholic liquor as defined  
26 in the Liquor Control Act of 1934, shall file a statement with

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

26 If a total amount of less than \$1 is payable, refundable or

1     creditable, such amount shall be disregarded if it is less  
2     than 50 cents and shall be increased to \$1 if it is 50 cents or  
3     more.

4             Notwithstanding any other provision of this Act to the  
5     contrary, retailers subject to tax on cannabis shall file all  
6     cannabis tax returns and shall make all cannabis tax payments  
7     by electronic means in the manner and form required by the  
8     Department.

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



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

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

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

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

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

23 Any amount which is required to be shown or reported on any  
24 return or other document under this Act shall, if such amount  
25 is not a whole-dollar amount, be increased to the nearest  
26 whole-dollar amount in any case where the fractional part of a

1 dollar is 50 cents or more, and decreased to the nearest  
2 whole-dollar amount where the fractional part of a dollar is  
3 less than 50 cents.

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

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

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

24 Notwithstanding any other provision in this Act concerning  
25 the time within which a retailer may file his return, in the  
26 case of any retailer who ceases to engage in a kind of business

1 which makes him responsible for filing returns under this Act,  
2 such retailer shall file a final return under this Act with the  
3 Department not more than one month after discontinuing such  
4 business.

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

11 In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, except as otherwise provided in this  
14 Section, every retailer selling this kind of tangible personal  
15 property shall file, with the Department, upon a form to be  
16 prescribed and supplied by the Department, a separate return  
17 for each such item of tangible personal property which the  
18 retailer sells, except that if, in the same transaction, (i) a  
19 retailer of aircraft, watercraft, motor vehicles or trailers  
20 transfers more than one aircraft, watercraft, motor vehicle or  
21 trailer to another aircraft, watercraft, motor vehicle  
22 retailer or trailer retailer for the purpose of resale or (ii)  
23 a retailer of aircraft, watercraft, motor vehicles, or  
24 trailers transfers more than one aircraft, watercraft, motor  
25 vehicle, or trailer to a purchaser for use as a qualifying  
26 rolling stock as provided in Section 2-5 of this Act, then that

1 seller may report the transfer of all aircraft, watercraft,  
2 motor vehicles or trailers involved in that transaction to the  
3 Department on the same uniform invoice-transaction reporting  
4 return form. For purposes of this Section, "watercraft" means  
5 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
6 3-2 of the Boat Registration and Safety Act, a personal  
7 watercraft, or any boat equipped with an inboard motor.

8 In addition, with respect to motor vehicles, watercraft,  
9 aircraft, and trailers that are required to be registered with  
10 an agency of this State, every person who is engaged in the  
11 business of leasing or renting such items and who, in  
12 connection with such business, sells any such item to a  
13 retailer for the purpose of resale is, notwithstanding any  
14 other provision of this Section to the contrary, authorized to  
15 meet the return-filing requirement of this Act by reporting  
16 the transfer of all the aircraft, watercraft, motor vehicles,  
17 or trailers transferred for resale during a month to the  
18 Department on the same uniform invoice-transaction reporting  
19 return form on or before the 20th of the month following the  
20 month in which the transfer takes place. Notwithstanding any  
21 other provision of this Act to the contrary, all returns filed  
22 under this paragraph must be filed by electronic means in the  
23 manner and form as required by the Department.

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

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

1 such agency or State officer determine that this procedure  
2 will expedite the processing of applications for title or  
3 registration.

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

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

25 If the user who would otherwise pay tax to the retailer  
26 wants the transaction reporting return filed and the payment

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

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

25 Where the seller is a corporation, the return filed on  
26 behalf of such corporation shall be signed by the president,



1 vice-president, secretary or treasurer or by the properly  
2 accredited agent of such corporation.

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

7 Except as provided in this Section, the retailer filing  
8 the return under this Section shall, at the time of filing such  
9 return, pay to the Department the amount of tax imposed by this  
10 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
11 on and after January 1, 1990, or \$5 per calendar year,  
12 whichever is greater, which is allowed to reimburse the  
13 retailer for the expenses incurred in keeping records,  
14 preparing and filing returns, remitting the tax and supplying  
15 data to the Department on request. On and after January 1,  
16 2021, a certified service provider, as defined in the Leveling  
17 the Playing Field for Illinois Retail Act, filing the return  
18 under this Section on behalf of a remote retailer shall, at the  
19 time of such return, pay to the Department the amount of tax  
20 imposed by this Act less a discount of 1.75%. A remote retailer  
21 using a certified service provider to file a return on its  
22 behalf, as provided in the Leveling the Playing Field for  
23 Illinois Retail Act, is not eligible for the discount. When  
24 determining the discount allowed under this Section, retailers  
25 shall include the amount of tax that would have been due at the  
26 1% rate but for the 0% rate imposed under this amendatory Act

1 of the 102nd General Assembly. The discount under this Section  
2 is not allowed for the 1.25% portion of taxes paid on aviation  
3 fuel that is subject to the revenue use requirements of 49  
4 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made  
5 pursuant to Section 2d of this Act shall be included in the  
6 amount on which such 2.1% or 1.75% discount is computed. In the  
7 case of retailers who report and pay the tax on a transaction  
8 by transaction basis, as provided in this Section, such  
9 discount shall be taken with each such tax remittance instead  
10 of when such retailer files his periodic return. The discount  
11 allowed under this Section is allowed only for returns that  
12 are filed in the manner required by this Act. The Department  
13 may disallow the discount for retailers whose certificate of  
14 registration is revoked at the time the return is filed, but  
15 only if the Department's decision to revoke the certificate of  
16 registration has become final.

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

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

1 January 1, 1987 and prior to January 1, 1988, each payment  
2 shall be in an amount equal to 22.5% of the taxpayer's actual  
3 liability for the month or 26.25% of the taxpayer's liability  
4 for the same calendar month of the preceding year. If the month  
5 during which such tax liability is incurred begins on or after  
6 January 1, 1988, and prior to January 1, 1989, or begins on or  
7 after January 1, 1996, each payment shall be in an amount equal  
8 to 22.5% of the taxpayer's actual liability for the month or  
9 25% of the taxpayer's liability for the same calendar month of  
10 the preceding year. If the month during which such tax  
11 liability is incurred begins on or after January 1, 1989, and  
12 prior to January 1, 1996, each payment shall be in an amount  
13 equal to 22.5% of the taxpayer's actual liability for the  
14 month or 25% of the taxpayer's liability for the same calendar  
15 month of the preceding year or 100% of the taxpayer's actual  
16 liability for the quarter monthly reporting period. The amount  
17 of such quarter monthly payments shall be credited against the  
18 final tax liability of the taxpayer's return for that month.  
19 Before October 1, 2000, once applicable, the requirement of  
20 the making of quarter monthly payments to the Department by  
21 taxpayers having an average monthly tax liability of \$10,000  
22 or more as determined in the manner provided above shall  
23 continue until such taxpayer's average monthly liability to  
24 the Department during the preceding 4 complete calendar  
25 quarters (excluding the month of highest liability and the  
26 month of lowest liability) is less than \$9,000, or until such

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

1 The Department shall change such taxpayer's reporting status  
2 unless it finds that such change is seasonal in nature and not  
3 likely to be long term. Quarter monthly payment status shall  
4 be determined under this paragraph as if the rate reduction to  
5 0% in this amendatory Act of the 102nd General Assembly on food  
6 for human consumption that is to be consumed off the premises  
7 where it is sold (other than alcoholic beverages, food  
8 consisting of or infused with adult use cannabis, soft drinks,  
9 and food that has been prepared for immediate consumption) had  
10 not occurred. For quarter monthly payments due under this  
11 paragraph on or after July 1, 2023 and through June 30, 2024,  
12 "25% of the taxpayer's liability for the same calendar month  
13 of the preceding year" shall be determined as if the rate  
14 reduction to 0% in this amendatory Act of the 102nd General  
15 Assembly had not occurred. If any such quarter monthly payment  
16 is not paid at the time or in the amount required by this  
17 Section, then the taxpayer shall be liable for penalties and  
18 interest on the difference between the minimum amount due as a  
19 payment and the amount of such quarter monthly payment  
20 actually and timely paid, except insofar as the taxpayer has  
21 previously made payments for that month to the Department in  
22 excess of the minimum payments previously due as provided in  
23 this Section. The Department shall make reasonable rules and  
24 regulations to govern the quarter monthly payment amount and  
25 quarter monthly payment dates for taxpayers who file on other  
26 than a calendar monthly basis.

1           The provisions of this paragraph apply before October 1,  
2 2001. Without regard to whether a taxpayer is required to make  
3 quarter monthly payments as specified above, any taxpayer who  
4 is required by Section 2d of this Act to collect and remit  
5 prepaid taxes and has collected prepaid taxes which average in  
6 excess of \$25,000 per month during the preceding 2 complete  
7 calendar quarters, shall file a return with the Department as  
8 required by Section 2f and shall make payments to the  
9 Department on or before the 7th, 15th, 22nd and last day of the  
10 month during which such liability is incurred. If the month  
11 during which such tax liability is incurred began prior to  
12 September 1, 1985 (the effective date of Public Act 84-221),  
13 each payment shall be in an amount not less than 22.5% of the  
14 taxpayer's actual liability under Section 2d. If the month  
15 during which such tax liability is incurred begins on or after  
16 January 1, 1986, each payment shall be in an amount equal to  
17 22.5% of the taxpayer's actual liability for the month or  
18 27.5% of the taxpayer's liability for the same calendar month  
19 of the preceding calendar year. If the month during which such  
20 tax liability is incurred begins on or after January 1, 1987,  
21 each payment shall be in an amount equal to 22.5% of the  
22 taxpayer's actual liability for the month or 26.25% of the  
23 taxpayer's liability for the same calendar month of the  
24 preceding year. The amount of such quarter monthly payments  
25 shall be credited against the final tax liability of the  
26 taxpayer's return for that month filed under this Section or

1 Section 2f, as the case may be. Once applicable, the  
2 requirement of the making of quarter monthly payments to the  
3 Department pursuant to this paragraph shall continue until  
4 such taxpayer's average monthly prepaid tax collections during  
5 the preceding 2 complete calendar quarters is \$25,000 or less.  
6 If any such quarter monthly payment is not paid at the time or  
7 in the amount required, the taxpayer shall be liable for  
8 penalties and interest on such difference, except insofar as  
9 the taxpayer has previously made payments for that month in  
10 excess of the minimum payments previously due.

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



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

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

1 subsequently to be remitted to the Department under this Act,  
2 the Use Tax Act, the Service Occupation Tax Act or the Service  
3 Use Tax Act, in accordance with reasonable rules and  
4 regulations prescribed by the Department. If the Department  
5 subsequently determined that all or any part of the credit  
6 taken was not actually due to the taxpayer, the taxpayer's  
7 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or  
8 1.75% of the difference between the credit taken and that  
9 actually due, and that taxpayer shall be liable for penalties  
10 and interest on such difference.

11 If a retailer of motor fuel is entitled to a credit under  
12 Section 2d of this Act which exceeds the taxpayer's liability  
13 to the Department under this Act for the month for which the  
14 taxpayer is filing a return, the Department shall issue the  
15 taxpayer a credit memorandum for the excess.

16 Beginning January 1, 1990, each month the Department shall  
17 pay into the Local Government Tax Fund, a special fund in the  
18 State treasury which is hereby created, the net revenue  
19 realized for the preceding month from the 1% tax imposed under  
20 this Act.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the County and Mass Transit District Fund, a special  
23 fund in the State treasury which is hereby created, 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate other than aviation fuel sold on or after  
26 December 1, 2019. This exception for aviation fuel only

1 applies for so long as the revenue use requirements of 49  
2 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

11 Beginning January 1, 1990, each month the Department shall  
12 pay into the Local Government Tax Fund 16% of the net revenue  
13 realized for the preceding month from the 6.25% general rate  
14 on the selling price of tangible personal property other than  
15 aviation fuel sold on or after December 1, 2019. This  
16 exception for aviation fuel only applies for so long as the  
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
18 47133 are binding on the State.

19 For aviation fuel sold on or after December 1, 2019, each  
20 month the Department shall pay into the State Aviation Program  
21 Fund 20% of the net revenue realized for the preceding month  
22 from the 6.25% general rate on the selling price of aviation  
23 fuel, less an amount estimated by the Department to be  
24 required for refunds of the 20% portion of the tax on aviation  
25 fuel under this Act, which amount shall be deposited into the  
26 Aviation Fuel Sales Tax Refund Fund. The Department shall only

1 pay moneys into the State Aviation Program Fund and the  
2 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
3 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
4 U.S.C. 47133 are binding on the State.

5       Beginning August 1, 2000, each month the Department shall  
6 pay into the Local Government Tax Fund 80% of the net revenue  
7 realized for the preceding month from the 1.25% rate on the  
8 selling price of motor fuel and gasohol. Beginning September  
9 1, 2010, each month the Department shall pay into the Local  
10 Government Tax Fund 80% of the net revenue realized for the  
11 preceding month from the 1.25% rate on the selling price of  
12 sales tax holiday items.

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

20       Beginning July 1, 2011, each month the Department shall  
21 pay into the Clean Air Act Permit Fund 80% of the net revenue  
22 realized for the preceding month from the 6.25% general rate  
23 on the selling price of sorbents used in Illinois in the  
24 process of sorbent injection as used to comply with the  
25 Environmental Protection Act or the federal Clean Air Act, but  
26 the total payment into the Clean Air Act Permit Fund under this

1 Act and the Use Tax Act shall not exceed \$2,000,000 in any  
2 fiscal year.

3 Beginning July 1, 2013, each month the Department shall  
4 pay into the Underground Storage Tank Fund from the proceeds  
5 collected under this Act, the Use Tax Act, the Service Use Tax  
6 Act, and the Service Occupation Tax Act an amount equal to the  
7 average monthly deficit in the Underground Storage Tank Fund  
8 during the prior year, as certified annually by the Illinois  
9 Environmental Protection Agency, but the total payment into  
10 the Underground Storage Tank Fund under this Act, the Use Tax  
11 Act, the Service Use Tax Act, and the Service Occupation Tax  
12 Act shall not exceed \$18,000,000 in any State fiscal year. As  
13 used in this paragraph, the "average monthly deficit" shall be  
14 equal to the difference between the average monthly claims for  
15 payment by the fund and the average monthly revenues deposited  
16 into the fund, excluding payments made pursuant to this  
17 paragraph.

18 Beginning July 1, 2015, of the remainder of the moneys  
19 received by the Department under the Use Tax Act, the Service  
20 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
21 month the Department shall deposit \$500,000 into the State  
22 Crime Laboratory Fund.

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

1 Build Illinois Fund; provided, however, that if in any fiscal  
2 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
3 may be, of the moneys received by the Department and required  
4 to be paid into the Build Illinois Fund pursuant to this Act,  
5 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
6 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
7 being hereinafter called the "Tax Acts" and such aggregate of  
8 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
9 called the "Tax Act Amount", and (2) the amount transferred to  
10 the Build Illinois Fund from the State and Local Sales Tax  
11 Reform Fund shall be less than the Annual Specified Amount (as  
12 hereinafter defined), an amount equal to the difference shall  
13 be immediately paid into the Build Illinois Fund from other  
14 moneys received by the Department pursuant to the Tax Acts;  
15 the "Annual Specified Amount" means the amounts specified  
16 below for fiscal years 1986 through 1993:

17	Fiscal Year	Annual Specified Amount
18	1986	\$54,800,000
19	1987	\$76,650,000
20	1988	\$80,480,000
21	1989	\$88,510,000
22	1990	\$115,330,000
23	1991	\$145,470,000
24	1992	\$182,730,000
25	1993	\$206,520,000;

26 and means the Certified Annual Debt Service Requirement (as

1 defined in Section 13 of the Build Illinois Bond Act) or the  
2 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
3 each fiscal year thereafter; and further provided, that if on  
4 the last business day of any month the sum of (1) the Tax Act  
5 Amount required to be deposited into the Build Illinois Bond  
6 Account in the Build Illinois Fund during such month and (2)  
7 the amount transferred to the Build Illinois Fund from the  
8 State and Local Sales Tax Reform Fund shall have been less than  
9 1/12 of the Annual Specified Amount, 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 in no event shall the  
13 payments required under the preceding proviso result in  
14 aggregate payments into the Build Illinois Fund pursuant to  
15 this clause (b) for any fiscal year in excess of the greater of  
16 (i) the Tax Act Amount or (ii) the Annual Specified Amount for  
17 such fiscal year. The amounts payable into the Build Illinois  
18 Fund under clause (b) of the first sentence in this paragraph  
19 shall be payable only until such time as the aggregate amount  
20 on deposit under each trust indenture securing Bonds issued  
21 and outstanding pursuant to the Build Illinois Bond Act is  
22 sufficient, taking into account any future investment income,  
23 to fully provide, in accordance with such indenture, for the  
24 defeasance of or the payment of the principal of, premium, if  
25 any, and interest on the Bonds secured by such indenture and on  
26 any Bonds expected to be issued thereafter and all fees and

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

23 Subject to payment of amounts into the Build Illinois Fund  
24 as provided in the preceding paragraph or in any amendment  
25 thereto hereafter enacted, the following specified monthly  
26 installment of the amount requested in the certificate of the



1 Chairman of the Metropolitan Pier and Exposition Authority  
2 provided under Section 8.25f of the State Finance Act, but not  
3 in excess of sums designated as "Total Deposit", shall be  
4 deposited in the aggregate from collections under Section 9 of  
5 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
6 9 of the Service Occupation Tax Act, and Section 3 of the  
7 Retailers' Occupation Tax Act into the McCormick Place  
8 Expansion Project Fund in the specified fiscal years.

9	Fiscal Year	Total Deposit
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000
26	2009	132,000,000

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	300,000,000
13	2022	300,000,000
14	2023	300,000,000
15	2024	300,000,000
16	2025	300,000,000
17	2026	300,000,000
18	2027	375,000,000
19	2028	375,000,000
20	2029	375,000,000
21	2030	375,000,000
22	2031	375,000,000
23	2032	375,000,000
24	2033	375,000,000
25	2034	375,000,000
26	2035	375,000,000

1                           2036                           450,000,000  
2                           and  
3                           each fiscal year  
4                           thereafter that bonds  
5                           are outstanding under  
6                           Section 13.2 of the  
7                           Metropolitan Pier and  
8                           Exposition Authority Act,  
9                           but not after fiscal year 2060.

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

23                   Subject to payment of amounts into the Capital Projects  
24                   Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
25                   and the McCormick Place Expansion Project Fund pursuant to the  
26                   preceding paragraphs or in any amendments thereto hereafter

1 enacted, for aviation fuel sold on or after December 1, 2019,  
2 the Department shall each month deposit into the Aviation Fuel  
3 Sales Tax Refund Fund an amount estimated by the Department to  
4 be required for refunds of the 80% portion of the tax on  
5 aviation fuel under this Act. The Department shall only  
6 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
7 under this paragraph for so long as the revenue use  
8 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
9 binding on the State.

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

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

1 purposes of this paragraph, the term "eligible business" means  
2 a new electric generating facility certified pursuant to  
3 Section 605-332 of the Department of Commerce and Economic  
4 Opportunity Law of the Civil Administrative Code of Illinois.

5 Subject to payment of amounts into the Build Illinois  
6 Fund, the McCormick Place Expansion Project Fund, the Illinois  
7 Tax Increment Fund, and the Energy Infrastructure Fund  
8 pursuant to the preceding paragraphs or in any amendments to  
9 this Section hereafter enacted, beginning on the first day of  
10 the first calendar month to occur on or after August 26, 2014  
11 (the effective date of Public Act 98-1098), each month, from  
12 the collections made under Section 9 of the Use Tax Act,  
13 Section 9 of the Service Use Tax Act, Section 9 of the Service  
14 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
15 Tax Act, the Department shall pay into the Tax Compliance and  
16 Administration Fund, to be used, subject to appropriation, to  
17 fund additional auditors and compliance personnel at the  
18 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
19 the cash receipts collected during the preceding fiscal year  
20 by the Audit Bureau of the Department under the Use Tax Act,  
21 the Service Use Tax Act, the Service Occupation Tax Act, the  
22 Retailers' Occupation Tax Act, and associated local occupation  
23 and use taxes administered by the Department.

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

1 Tax Compliance and Administration Fund as provided in this  
2 Section, beginning on July 1, 2018 the Department shall pay  
3 each month into the Downstate Public Transportation Fund the  
4 moneys required to be so paid under Section 2-3 of the  
5 Downstate Public Transportation Act.

6 Subject to successful execution and delivery of a  
7 public-private agreement between the public agency and private  
8 entity and completion of the civic build, beginning on July 1,  
9 2023, of the remainder of the moneys received by the  
10 Department under the Use Tax Act, the Service Use Tax Act, the  
11 Service Occupation Tax Act, and this Act, the Department shall  
12 deposit the following specified deposits in the aggregate from  
13 collections under the Use Tax Act, the Service Use Tax Act, the  
14 Service Occupation Tax Act, and the Retailers' Occupation Tax  
15 Act, as required under Section 8.25g of the State Finance Act  
16 for distribution consistent with the Public-Private  
17 Partnership for Civic and Transit Infrastructure Project Act.  
18 The moneys received by the Department pursuant to this Act and  
19 required to be deposited into the Civic and Transit  
20 Infrastructure Fund are subject to the pledge, claim and  
21 charge set forth in Section 25-55 of the Public-Private  
22 Partnership for Civic and Transit Infrastructure Project Act.  
23 As used in this paragraph, "civic build", "private entity",  
24 "public-private agreement", and "public agency" have the  
25 meanings provided in Section 25-10 of the Public-Private  
26 Partnership for Civic and Transit Infrastructure Project Act.

1	Fiscal Year.....	Total Deposit
2	2024 .....	\$200,000,000
3	2025 .....	\$206,000,000
4	2026 .....	\$212,200,000
5	2027 .....	\$218,500,000
6	2028 .....	\$225,100,000
7	2029 .....	\$288,700,000
8	2030 .....	\$298,900,000
9	2031 .....	\$309,300,000
10	2032 .....	\$320,100,000
11	2033 .....	\$331,200,000
12	2034 .....	\$341,200,000
13	2035 .....	\$351,400,000
14	2036 .....	\$361,900,000
15	2037 .....	\$372,800,000
16	2038 .....	\$384,000,000
17	2039 .....	\$395,500,000
18	2040 .....	\$407,400,000
19	2041 .....	\$419,600,000
20	2042 .....	\$432,200,000
21	2043 .....	\$445,100,000

22           Beginning July 1, 2021 and until July 1, 2022, subject to  
23 the payment of amounts into the County and Mass Transit  
24 District Fund, the Local Government Tax Fund, the Build  
25 Illinois Fund, the McCormick Place Expansion Project Fund, the  
26 Illinois Tax Increment Fund, the Energy Infrastructure Fund,

1 and the Tax Compliance and Administration Fund as provided in  
2 this Section, the Department shall pay each month into the  
3 Road Fund the amount estimated to represent 16% of the net  
4 revenue realized from the taxes imposed on motor fuel and  
5 gasohol. Beginning July 1, 2022 and until July 1, 2023,  
6 subject to the payment of amounts into the County and Mass  
7 Transit District Fund, the Local Government Tax Fund, the  
8 Build Illinois Fund, the McCormick Place Expansion Project  
9 Fund, the Illinois Tax Increment Fund, the Energy  
10 Infrastructure Fund, and the Tax Compliance and Administration  
11 Fund as provided in this Section, the Department shall pay  
12 each month into the Road Fund the amount estimated to  
13 represent 32% of the net revenue realized from the taxes  
14 imposed on motor fuel and gasohol. Beginning July 1, 2023 and  
15 until July 1, 2024, subject to the payment of amounts into the  
16 County and Mass Transit District Fund, the Local Government  
17 Tax Fund, the Build Illinois Fund, the McCormick Place  
18 Expansion Project Fund, the Illinois Tax Increment Fund, the  
19 Energy Infrastructure Fund, and the Tax Compliance and  
20 Administration Fund as provided in this Section, the  
21 Department shall pay each month into the Road Fund the amount  
22 estimated to represent 48% of the net revenue realized from  
23 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
24 2024 and until July 1, 2025, subject to the payment of amounts  
25 into the County and Mass Transit District Fund, the Local  
26 Government Tax Fund, the Build Illinois Fund, the McCormick



1 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
2 the Energy Infrastructure Fund, and the Tax Compliance and  
3 Administration Fund as provided in this Section, the  
4 Department shall pay each month into the Road Fund the amount  
5 estimated to represent 64% of the net revenue realized from  
6 the taxes imposed on motor fuel and gasohol. Beginning on July  
7 1, 2025, subject to the payment of amounts into the County and  
8 Mass Transit District Fund, the Local Government Tax Fund, the  
9 Build Illinois Fund, the McCormick Place Expansion Project  
10 Fund, the Illinois Tax Increment Fund, the Energy  
11 Infrastructure Fund, and the Tax Compliance and Administration  
12 Fund as provided in this Section, the Department shall pay  
13 each month into the Road Fund the amount estimated to  
14 represent 80% of the net revenue realized from the taxes  
15 imposed on motor fuel and gasohol. As used in this paragraph  
16 "motor fuel" has the meaning given to that term in Section 1.1  
17 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning  
18 given to that term in Section 3-40 of the Use Tax Act.

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

25 The Department may, upon separate written notice to a  
26 taxpayer, require the taxpayer to prepare and file with the

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

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

- 25 (i) Until January 1, 1994, the taxpayer shall be  
26 liable for a penalty equal to 1/6 of 1% of the tax due from

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

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

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

17          The provisions of this Section concerning the filing of an  
18          annual information return do not apply to a retailer who is not  
19          required to file an income tax return with the United States  
20          Government.

21          As soon as possible after the first day of each month, upon  
22          certification of the Department of Revenue, the Comptroller  
23          shall order transferred and the Treasurer shall transfer from  
24          the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25          equal to 1.7% of 80% of the net revenue realized under this Act  
26          for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

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

13 Any person who promotes, organizes, provides retail  
14 selling space for concessionaires or other types of sellers at  
15 the Illinois State Fair, DuQuoin State Fair, county fairs,  
16 local fairs, art shows, flea markets and similar exhibitions  
17 or events, including any transient merchant as defined by  
18 Section 2 of the Transient Merchant Act of 1987, is required to  
19 file a report with the Department providing the name of the  
20 merchant's business, the name of the person or persons engaged  
21 in merchant's business, the permanent address and Illinois  
22 Retailers Occupation Tax Registration Number of the merchant,  
23 the dates and location of the event and other reasonable  
24 information that the Department may require. The report must  
25 be filed not later than the 20th day of the month next  
26 following the month during which the event with retail sales

1 was held. Any person who fails to file a report required by  
2 this Section commits a business offense and is subject to a  
3 fine not to exceed \$250.

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

24 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;  
25 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.  
26 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;

1 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised  
2 12-7-21.)

3 Section 60-35. The Innovation Development and Economy Act  
4 is amended by changing Sections 10 and 31 as follows:

5 (50 ILCS 470/10)

6 Sec. 10. Definitions. As used in this Act, the following  
7 words and phrases shall have the following meanings unless a  
8 different meaning clearly appears from the context:

9 "Base year" means the calendar year immediately prior to  
10 the calendar year in which the STAR bond district is  
11 established.

12 "Commence work" means the manifest commencement of actual  
13 operations on the development site, such as, erecting a  
14 building, general on-site and off-site grading and utility  
15 installations, commencing design and construction  
16 documentation, ordering lead-time materials, excavating the  
17 ground to lay a foundation or a basement, or work of like  
18 description which a reasonable person would recognize as being  
19 done with the intention and purpose to continue work until the  
20 project is completed.

21 "County" means the county in which a proposed STAR bond  
22 district is located.

23 "De minimis" means an amount less than 15% of the land area  
24 within a STAR bond district.

1 "Department of Revenue" means the Department of Revenue of  
2 the State of Illinois.

3 "Destination user" means an owner, operator, licensee,  
4 co-developer, subdeveloper, or tenant (i) that operates a  
5 business within a STAR bond district that is a retail store  
6 having at least 150,000 square feet of sales floor area; (ii)  
7 that at the time of opening does not have another Illinois  
8 location within a 70 mile radius; (iii) that has an annual  
9 average of not less than 30% of customers who travel from at  
10 least 75 miles away or from out-of-state, as demonstrated by  
11 data from a comparable existing store or stores, or, if there  
12 is no comparable existing store, as demonstrated by an  
13 economic analysis that shows that the proposed retailer will  
14 have an annual average of not less than 30% of customers who  
15 travel from at least 75 miles away or from out-of-state; and  
16 (iv) that makes an initial capital investment, including  
17 project costs and other direct costs, of not less than  
18 \$30,000,000 for such retail store.

19 "Destination hotel" means a hotel (as that term is defined  
20 in Section 2 of the Hotel Operators' Occupation Tax Act)  
21 complex having at least 150 guest rooms and which also  
22 includes a venue for entertainment attractions, rides, or  
23 other activities oriented toward the entertainment and  
24 amusement of its guests and other patrons.

25 "Developer" means any individual, corporation, trust,  
26 estate, partnership, limited liability partnership, limited

1 liability company, or other entity. The term does not include  
2 a not-for-profit entity, political subdivision, or other  
3 agency or instrumentality of the State.

4 "Director" means the Director of Revenue, who shall  
5 consult with the Director of Commerce and Economic Opportunity  
6 in any approvals or decisions required by the Director under  
7 this Act.

8 "Economic impact study" means a study conducted by an  
9 independent economist to project the financial benefit of the  
10 proposed STAR bond project to the local, regional, and State  
11 economies, consider the proposed adverse impacts on similar  
12 projects and businesses, as well as municipalities within the  
13 projected market area, and draw conclusions about the net  
14 effect of the proposed STAR bond project on the local,  
15 regional, and State economies. A copy of the economic impact  
16 study shall be provided to the Director for review.

17 "Eligible area" means any improved or vacant area that (i)  
18 is contiguous and is not, in the aggregate, less than 250 acres  
19 nor more than 500 acres which must include only parcels of real  
20 property directly and substantially benefited by the proposed  
21 STAR bond district plan, (ii) is adjacent to a federal  
22 interstate highway, (iii) is within one mile of 2 State  
23 highways, (iv) is within one mile of an entertainment user, or  
24 a major or minor league sports stadium or other similar  
25 entertainment venue that had an initial capital investment of  
26 at least \$20,000,000, and (v) includes land that was



1 previously surface or strip mined. The area may be bisected by  
2 streets, highways, roads, alleys, railways, bike paths,  
3 streams, rivers, and other waterways and still be deemed  
4 contiguous. In addition, in order to constitute an eligible  
5 area one of the following requirements must be satisfied and  
6 all of which are subject to the review and approval of the  
7 Director as provided in subsection (d) of Section 15:

8 (a) the governing body of the political subdivision  
9 shall have determined that the area meets the requirements  
10 of a "blighted area" as defined under the Tax Increment  
11 Allocation Redevelopment Act; or

12 (b) the governing body of the political subdivision  
13 shall have determined that the area is a blighted area as  
14 determined under the provisions of Section 11-74.3-5 of  
15 the Illinois Municipal Code; or

16 (c) the governing body of the political subdivision  
17 shall make the following findings:

18 (i) that the vacant portions of the area have  
19 remained vacant for at least one year, or that any  
20 building located on a vacant portion of the property  
21 was demolished within the last year and that the  
22 building would have qualified under item (ii) of this  
23 subsection;

24 (ii) if portions of the area are currently  
25 developed, that the use, condition, and character of  
26 the buildings on the property are not consistent with

1 the purposes set forth in Section 5;

2 (iii) that the STAR bond district is expected to  
3 create or retain job opportunities within the  
4 political subdivision;

5 (iv) that the STAR bond district will serve to  
6 further the development of adjacent areas;

7 (v) that without the availability of STAR bonds,  
8 the projects described in the STAR bond district plan  
9 would not be possible;

10 (vi) that the master developer meets high  
11 standards of creditworthiness and financial strength  
12 as demonstrated by one or more of the following: (i)  
13 corporate debenture ratings of BBB or higher by  
14 Standard & Poor's Corporation or Baa or higher by  
15 Moody's Investors Service, Inc.; (ii) a letter from a  
16 financial institution with assets of \$10,000,000 or  
17 more attesting to the financial strength of the master  
18 developer; or (iii) specific evidence of equity  
19 financing for not less than 10% of the estimated total  
20 STAR bond project costs;

21 (vii) that the STAR bond district will strengthen  
22 the commercial sector of the political subdivision;

23 (viii) that the STAR bond district will enhance  
24 the tax base of the political subdivision; and

25 (ix) that the formation of a STAR bond district is  
26 in the best interest of the political subdivision.

1 "Entertainment user" means an owner, operator, licensee,  
2 co-developer, subdeveloper, or tenant that operates a business  
3 within a STAR bond district that has a primary use of providing  
4 a venue for entertainment attractions, rides, or other  
5 activities oriented toward the entertainment and amusement of  
6 its patrons, occupies at least 20 acres of land in the STAR  
7 bond district, and makes an initial capital investment,  
8 including project costs and other direct and indirect costs,  
9 of not less than \$25,000,000 for that venue.

10 "Feasibility study" means a feasibility study as defined  
11 in subsection (b) of Section 20.

12 "Infrastructure" means the public improvements and private  
13 improvements that serve the public purposes set forth in  
14 Section 5 of this Act and that benefit the STAR bond district  
15 or any STAR bond projects, including, but not limited to,  
16 streets, drives and driveways, traffic and directional signs  
17 and signals, parking lots and parking facilities,  
18 interchanges, highways, sidewalks, bridges, underpasses and  
19 overpasses, bike and walking trails, sanitary storm sewers and  
20 lift stations, drainage conduits, channels, levees, canals,  
21 storm water detention and retention facilities, utilities and  
22 utility connections, water mains and extensions, and street  
23 and parking lot lighting and connections.

24 "Local sales taxes" means any locally-imposed taxes  
25 received by a municipality, county, or other local  
26 governmental entity arising from sales by retailers and

1 servicemen within a STAR bond district, including business  
2 district sales taxes and STAR bond occupation taxes, and that  
3 portion of the net revenue realized under the Retailers'  
4 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,  
5 and the Service Occupation Tax Act from transactions at places  
6 of business located within a STAR bond district, including  
7 that portion of the net revenue that would have been realized  
8 but for the reduction of the rate to 0% under this amendatory  
9 Act of the 102nd General Assembly, that is deposited or, under  
10 this amendatory Act of the 102nd General Assembly, transferred  
11 into the Local Government Tax Fund and the County and Mass  
12 Transit District Fund. For the purpose of this Act, "local  
13 sales taxes" does not include (i) any taxes authorized  
14 pursuant to the Local Mass Transit District Act or the  
15 Metro-East Park and Recreation District Act for so long as the  
16 applicable taxing district does not impose a tax on real  
17 property, (ii) county school facility and resources occupation  
18 taxes imposed pursuant to Section 5-1006.7 of the Counties  
19 Code, or (iii) any taxes authorized under the Flood Prevention  
20 District Act.

21 "Local sales tax increment" means, except as otherwise  
22 provided in this Section, with respect to local sales taxes  
23 administered by the Illinois Department of Revenue, (i) all of  
24 the local sales tax paid (plus all of the local sales tax that  
25 would have been paid but for the reduction of the rate to 0%  
26 under this amendatory Act of the 102nd General Assembly) by

1 destination users, destination hotels, and entertainment users  
2 that is in excess of the local sales tax paid (plus all of the  
3 local sales tax that would have been paid but for the reduction  
4 of the rate to 0% under this amendatory Act of the 102nd  
5 General Assembly) by destination users, destination hotels,  
6 and entertainment users for the same month in the base year, as  
7 determined by the Illinois Department of Revenue, (ii) in the  
8 case of a municipality forming a STAR bond district that is  
9 wholly within the corporate boundaries of the municipality and  
10 in the case of a municipality and county forming a STAR bond  
11 district that is only partially within such municipality, that  
12 portion of the local sales tax paid (plus the local sales tax  
13 that would have been paid but for the reduction of the rate to  
14 0% under this amendatory Act of the 102nd General Assembly) by  
15 taxpayers that are not destination users, destination hotels,  
16 or entertainment users that is in excess of the local sales tax  
17 paid (plus the local sales tax that would have been paid but  
18 for the reduction of the rate to 0% under this amendatory Act  
19 of the 102nd General Assembly) by taxpayers that are not  
20 destination users, destination hotels, or entertainment users  
21 for the same month in the base year, as determined by the  
22 Illinois Department of Revenue, and (iii) in the case of a  
23 county in which a STAR bond district is formed that is wholly  
24 within a municipality, that portion of the local sales tax  
25 paid by taxpayers that are not destination users, destination  
26 hotels, or entertainment users that is in excess of the local

1 sales tax paid by taxpayers that are not destination users,  
2 destination hotels, or entertainment users for the same month  
3 in the base year, as determined by the Illinois Department of  
4 Revenue, but only if the corporate authorities of the county  
5 adopts an ordinance, and files a copy with the Department  
6 within the same time frames as required for STAR bond  
7 occupation taxes under Section 31, that designates the taxes  
8 referenced in this clause (iii) as part of the local sales tax  
9 increment under this Act. "Local sales tax increment" means,  
10 with respect to local sales taxes administered by a  
11 municipality, county, or other unit of local government, that  
12 portion of the local sales tax that is in excess of the local  
13 sales tax for the same month in the base year, as determined by  
14 the respective municipality, county, or other unit of local  
15 government. If any portion of local sales taxes are, at the  
16 time of formation of a STAR bond district, already subject to  
17 tax increment financing under the Tax Increment Allocation  
18 Redevelopment Act, then the local sales tax increment for such  
19 portion shall be frozen at the base year established in  
20 accordance with this Act, and all future incremental increases  
21 shall be included in the "local sales tax increment" under  
22 this Act. Any party otherwise entitled to receipt of  
23 incremental local sales tax revenues through an existing tax  
24 increment financing district shall be entitled to continue to  
25 receive such revenues up to the amount frozen in the base year.  
26 Nothing in this Act shall affect the prior qualification of

1 existing redevelopment project costs incurred that are  
2 eligible for reimbursement under the Tax Increment Allocation  
3 Redevelopment Act. In such event, prior to approving a STAR  
4 bond district, the political subdivision forming the STAR bond  
5 district shall take such action as is necessary, including  
6 amending the existing tax increment financing district  
7 redevelopment plan, to carry out the provisions of this Act.  
8 The Illinois Department of Revenue shall allocate the local  
9 sales tax increment only if the local sales tax is  
10 administered by the Department. "Local sales tax increment"  
11 does not include taxes and penalties collected on aviation  
12 fuel, as defined in Section 3 of the Retailers' Occupation  
13 Tax, sold on or after December 1, 2019 and through December 31,  
14 2020.

15 "Market study" means a study to determine the ability of  
16 the proposed STAR bond project to gain market share locally  
17 and regionally and to remain profitable past the term of  
18 repayment of STAR bonds.

19 "Master developer" means a developer cooperating with a  
20 political subdivision to plan, develop, and implement a STAR  
21 bond project plan for a STAR bond district. Subject to the  
22 limitations of Section 25, the master developer may work with  
23 and transfer certain development rights to other developers  
24 for the purpose of implementing STAR bond project plans and  
25 achieving the purposes of this Act. A master developer for a  
26 STAR bond district shall be appointed by a political

1 subdivision in the resolution establishing the STAR bond  
2 district, and the master developer must, at the time of  
3 appointment, own or have control of, through purchase  
4 agreements, option contracts, or other means, not less than  
5 50% of the acreage within the STAR bond district and the master  
6 developer or its affiliate must have ownership or control on  
7 June 1, 2010.

8 "Master development agreement" means an agreement between  
9 the master developer and the political subdivision to govern a  
10 STAR bond district and any STAR bond projects.

11 "Municipality" means the city, village, or incorporated  
12 town in which a proposed STAR bond district is located.

13 "Pledged STAR revenues" means those sales tax and revenues  
14 and other sources of funds pledged to pay debt service on STAR  
15 bonds or to pay project costs pursuant to Section 30.  
16 Notwithstanding any provision to the contrary, the following  
17 revenues shall not constitute pledged STAR revenues or be  
18 available to pay principal and interest on STAR bonds: any  
19 State sales tax increment or local sales tax increment from a  
20 retail entity initiating operations in a STAR bond district  
21 while terminating operations at another Illinois location  
22 within 25 miles of the STAR bond district. For purposes of this  
23 paragraph, "terminating operations" means a closing of a  
24 retail operation that is directly related to the opening of  
25 the same operation or like retail entity owned or operated by  
26 more than 50% of the original ownership in a STAR bond district



1 within one year before or after initiating operations in the  
2 STAR bond district, but it does not mean closing an operation  
3 for reasons beyond the control of the retail entity, as  
4 documented by the retail entity, subject to a reasonable  
5 finding by the municipality (or county if such retail  
6 operation is not located within a municipality) in which the  
7 terminated operations were located that the closed location  
8 contained inadequate space, had become economically obsolete,  
9 or was no longer a viable location for the retailer or  
10 serviceman.

11 "Political subdivision" means a municipality or county  
12 which undertakes to establish a STAR bond district pursuant to  
13 the provisions of this Act.

14 "Project costs" means and includes the sum total of all  
15 costs incurred or estimated to be incurred on or following the  
16 date of establishment of a STAR bond district that are  
17 reasonable or necessary to implement a STAR bond district plan  
18 or any STAR bond project plans, or both, including costs  
19 incurred for public improvements and private improvements that  
20 serve the public purposes set forth in Section 5 of this Act.  
21 Such costs include without limitation the following:

22 (a) costs of studies, surveys, development of plans  
23 and specifications, formation, implementation, and  
24 administration of a STAR bond district, STAR bond district  
25 plan, any STAR bond projects, or any STAR bond project  
26 plans, including, but not limited to, staff and

1 professional service costs for architectural, engineering,  
2 legal, financial, planning, or other services, provided  
3 however that no charges for professional services may be  
4 based on a percentage of the tax increment collected and  
5 no contracts for professional services, excluding  
6 architectural and engineering services, may be entered  
7 into if the terms of the contract extend beyond a period of  
8 3 years;

9 (b) property assembly costs, including, but not  
10 limited to, acquisition of land and other real property or  
11 rights or interests therein, located within the boundaries  
12 of a STAR bond district, demolition of buildings, site  
13 preparation, site improvements that serve as an engineered  
14 barrier addressing ground level or below ground  
15 environmental contamination, including, but not limited  
16 to, parking lots and other concrete or asphalt barriers,  
17 the clearing and grading of land, and importing additional  
18 soil and fill materials, or removal of soil and fill  
19 materials from the site;

20 (c) subject to paragraph (d), costs of buildings and  
21 other vertical improvements that are located within the  
22 boundaries of a STAR bond district and owned by a  
23 political subdivision or other public entity, including  
24 without limitation police and fire stations, educational  
25 facilities, and public restrooms and rest areas;

26 (c-1) costs of buildings and other vertical

1 improvements that are located within the boundaries of a  
2 STAR bond district and owned by a destination user or  
3 destination hotel; except that only 2 destination users in  
4 a STAR bond district and one destination hotel are  
5 eligible to include the cost of those vertical  
6 improvements as project costs;

7 (c-5) costs of buildings; rides and attractions, which  
8 include carousels, slides, roller coasters, displays,  
9 models, towers, works of art, and similar theme and  
10 amusement park improvements; and other vertical  
11 improvements that are located within the boundaries of a  
12 STAR bond district and owned by an entertainment user;  
13 except that only one entertainment user in a STAR bond  
14 district is eligible to include the cost of those vertical  
15 improvements as project costs;

16 (d) costs of the design and construction of  
17 infrastructure and public works located within the  
18 boundaries of a STAR bond district that are reasonable or  
19 necessary to implement a STAR bond district plan or any  
20 STAR bond project plans, or both, except that project  
21 costs shall not include the cost of constructing a new  
22 municipal public building principally used to provide  
23 offices, storage space, or conference facilities or  
24 vehicle storage, maintenance, or repair for  
25 administrative, public safety, or public works personnel  
26 and that is not intended to replace an existing public

1 building unless the political subdivision makes a  
2 reasonable determination in a STAR bond district plan or  
3 any STAR bond project plans, supported by information that  
4 provides the basis for that determination, that the new  
5 municipal building is required to meet an increase in the  
6 need for public safety purposes anticipated to result from  
7 the implementation of the STAR bond district plan or any  
8 STAR bond project plans;

9 (e) costs of the design and construction of the  
10 following improvements located outside the boundaries of a  
11 STAR bond district, provided that the costs are essential  
12 to further the purpose and development of a STAR bond  
13 district plan and either (i) part of and connected to  
14 sewer, water, or utility service lines that physically  
15 connect to the STAR bond district or (ii) significant  
16 improvements for adjacent offsite highways, streets,  
17 roadways, and interchanges that are approved by the  
18 Illinois Department of Transportation. No other cost of  
19 infrastructure and public works improvements located  
20 outside the boundaries of a STAR bond district may be  
21 deemed project costs;

22 (f) costs of job training and retraining projects,  
23 including the cost of "welfare to work" programs  
24 implemented by businesses located within a STAR bond  
25 district;

26 (g) financing costs, including, but not limited to,

1 all necessary and incidental expenses related to the  
2 issuance of obligations and which may include payment of  
3 interest on any obligations issued hereunder including  
4 interest accruing during the estimated period of  
5 construction of any improvements in a STAR bond district  
6 or any STAR bond projects for which such obligations are  
7 issued and for not exceeding 36 months thereafter and  
8 including reasonable reserves related thereto;

9 (h) to the extent the political subdivision by written  
10 agreement accepts and approves the same, all or a portion  
11 of a taxing district's capital costs resulting from a STAR  
12 bond district or STAR bond projects necessarily incurred  
13 or to be incurred within a taxing district in furtherance  
14 of the objectives of a STAR bond district plan or STAR bond  
15 project plans;

16 (i) interest cost incurred by a developer for project  
17 costs related to the acquisition, formation,  
18 implementation, development, construction, and  
19 administration of a STAR bond district, STAR bond district  
20 plan, STAR bond projects, or any STAR bond project plans  
21 provided that:

22 (i) payment of such costs in any one year may not  
23 exceed 30% of the annual interest costs incurred by  
24 the developer with regard to the STAR bond district or  
25 any STAR bond projects during that year; and

26 (ii) the total of such interest payments paid

1           pursuant to this Act may not exceed 30% of the total  
2           cost paid or incurred by the developer for a STAR bond  
3           district or STAR bond projects, plus project costs,  
4           excluding any property assembly costs incurred by a  
5           political subdivision pursuant to this Act;

6           (j) costs of common areas located within the  
7           boundaries of a STAR bond district;

8           (k) costs of landscaping and plantings, retaining  
9           walls and fences, man-made lakes and ponds, shelters,  
10          benches, lighting, and similar amenities located within  
11          the boundaries of a STAR bond district;

12          (l) costs of mounted building signs, site monument,  
13          and pylon signs located within the boundaries of a STAR  
14          bond district; or

15          (m) if included in the STAR bond district plan and  
16          approved in writing by the Director, salaries or a portion  
17          of salaries for local government employees to the extent  
18          the same are directly attributable to the work of such  
19          employees on the establishment and management of a STAR  
20          bond district or any STAR bond projects.

21          Except as specified in items (a) through (m), "project  
22          costs" shall not include:

23          (i) the cost of construction of buildings that are  
24          privately owned or owned by a municipality and leased to a  
25          developer or retail user for non-entertainment retail  
26          uses;

1           (ii) moving expenses for employees of the businesses  
2           locating within the STAR bond district;

3           (iii) property taxes for property located in the STAR  
4           bond district;

5           (iv) lobbying costs; and

6           (v) general overhead or administrative costs of the  
7           political subdivision that would still have been incurred  
8           by the political subdivision if the political subdivision  
9           had not established a STAR bond district.

10          "Project development agreement" means any one or more  
11          agreements, including any amendments thereto, between a master  
12          developer and any co-developer or subdeveloper in connection  
13          with a STAR bond project, which project development agreement  
14          may include the political subdivision as a party.

15          "Projected market area" means any area within the State in  
16          which a STAR bond district or STAR bond project is projected to  
17          have a significant fiscal or market impact as determined by  
18          the Director.

19          "Resolution" means a resolution, order, ordinance, or  
20          other appropriate form of legislative action of a political  
21          subdivision or other applicable public entity approved by a  
22          vote of a majority of a quorum at a meeting of the governing  
23          body of the political subdivision or applicable public entity.

24          "STAR bond" means a sales tax and revenue bond, note, or  
25          other obligation payable from pledged STAR revenues and issued  
26          by a political subdivision, the proceeds of which shall be

1 used only to pay project costs as defined in this Act.

2 "STAR bond district" means the specific area declared to  
3 be an eligible area as determined by the political  
4 subdivision, and approved by the Director, in which the  
5 political subdivision may develop one or more STAR bond  
6 projects.

7 "STAR bond district plan" means the preliminary or  
8 conceptual plan that generally identifies the proposed STAR  
9 bond project areas and identifies in a general manner the  
10 buildings, facilities, and improvements to be constructed or  
11 improved in each STAR bond project area.

12 "STAR bond project" means a project within a STAR bond  
13 district which is approved pursuant to Section 20.

14 "STAR bond project area" means the geographic area within  
15 a STAR bond district in which there may be one or more STAR  
16 bond projects.

17 "STAR bond project plan" means the written plan adopted by  
18 a political subdivision for the development of a STAR bond  
19 project in a STAR bond district; the plan may include, but is  
20 not limited to, (i) project costs incurred prior to the date of  
21 the STAR bond project plan and estimated future STAR bond  
22 project costs, (ii) proposed sources of funds to pay those  
23 costs, (iii) the nature and estimated term of any obligations  
24 to be issued by the political subdivision to pay those costs,  
25 (iv) the most recent equalized assessed valuation of the STAR  
26 bond project area, (v) an estimate of the equalized assessed



1 valuation of the STAR bond district or applicable project area  
2 after completion of a STAR bond project, (vi) a general  
3 description of the types of any known or proposed developers,  
4 users, or tenants of the STAR bond project or projects  
5 included in the plan, (vii) a general description of the type,  
6 structure, and character of the property or facilities to be  
7 developed or improved, (viii) a description of the general  
8 land uses to apply to the STAR bond project, and (ix) a general  
9 description or an estimate of the type, class, and number of  
10 employees to be employed in the operation of the STAR bond  
11 project.

12 "State sales tax" means all of the net revenue realized  
13 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
14 Service Use Tax Act, and the Service Occupation Tax Act from  
15 transactions at places of business located within a STAR bond  
16 district, excluding that portion of the net revenue realized  
17 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
18 Service Use Tax Act, and the Service Occupation Tax Act from  
19 transactions at places of business located within a STAR bond  
20 district that is deposited into the Local Government Tax Fund  
21 and the County and Mass Transit District Fund.

22 "State sales tax increment" means (i) 100% of that portion  
23 of the State sales tax that is in excess of the State sales tax  
24 for the same month in the base year, as determined by the  
25 Department of Revenue, from transactions at up to 2  
26 destination users, one destination hotel, and one

1 entertainment user located within a STAR bond district, which  
2 destination users, destination hotel, and entertainment user  
3 shall be designated by the master developer and approved by  
4 the political subdivision and the Director in conjunction with  
5 the applicable STAR bond project approval, and (ii) 25% of  
6 that portion of the State sales tax that is in excess of the  
7 State sales tax for the same month in the base year, as  
8 determined by the Department of Revenue, from all other  
9 transactions within a STAR bond district. If any portion of  
10 State sales taxes are, at the time of formation of a STAR bond  
11 district, already subject to tax increment financing under the  
12 Tax Increment Allocation Redevelopment Act, then the State  
13 sales tax increment for such portion shall be frozen at the  
14 base year established in accordance with this Act, and all  
15 future incremental increases shall be included in the State  
16 sales tax increment under this Act. Any party otherwise  
17 entitled to receipt of incremental State sales tax revenues  
18 through an existing tax increment financing district shall be  
19 entitled to continue to receive such revenues up to the amount  
20 frozen in the base year. Nothing in this Act shall affect the  
21 prior qualification of existing redevelopment project costs  
22 incurred that are eligible for reimbursement under the Tax  
23 Increment Allocation Redevelopment Act. In such event, prior  
24 to approving a STAR bond district, the political subdivision  
25 forming the STAR bond district shall take such action as is  
26 necessary, including amending the existing tax increment

1 financing district redevelopment plan, to carry out the  
2 provisions of this Act.

3 "Substantial change" means a change wherein the proposed  
4 STAR bond project plan differs substantially in size, scope,  
5 or use from the approved STAR bond district plan or STAR bond  
6 project plan.

7 "Taxpayer" means an individual, partnership, corporation,  
8 limited liability company, trust, estate, or other entity that  
9 is subject to the Illinois Income Tax Act.

10 "Total development costs" means the aggregate public and  
11 private investment in a STAR bond district, including project  
12 costs and other direct and indirect costs related to the  
13 development of the STAR bond district.

14 "Traditional retail use" means the operation of a business  
15 that derives at least 90% of its annual gross revenue from  
16 sales at retail, as that phrase is defined by Section 1 of the  
17 Retailers' Occupation Tax Act, but does not include the  
18 operations of destination users, entertainment users,  
19 restaurants, hotels, retail uses within hotels, or any other  
20 non-retail uses.

21 "Vacant" means that portion of the land in a proposed STAR  
22 bond district that is not occupied by a building, facility, or  
23 other vertical improvement.

24 (Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19;  
25 101-604, eff. 12-13-19.)

1 (50 ILCS 470/31)

2 Sec. 31. STAR bond occupation taxes.

3 (a) If the corporate authorities of a political  
4 subdivision have established a STAR bond district and have  
5 elected to impose a tax by ordinance pursuant to subsection  
6 (b) or (c) of this Section, each year after the date of the  
7 adoption of the ordinance and until all STAR bond project  
8 costs and all political subdivision obligations financing the  
9 STAR bond project costs, if any, have been paid in accordance  
10 with the STAR bond project plans, but in no event longer than  
11 the maximum maturity date of the last of the STAR bonds issued  
12 for projects in the STAR bond district, all amounts generated  
13 by the retailers' occupation tax and service occupation tax  
14 shall be collected and the tax shall be enforced by the  
15 Department of Revenue in the same manner as all retailers'  
16 occupation taxes and service occupation taxes imposed in the  
17 political subdivision imposing the tax. The corporate  
18 authorities of the political subdivision shall deposit the  
19 proceeds of the taxes imposed under subsections (b) and (c)  
20 into either (i) a special fund held by the corporate  
21 authorities of the political subdivision called the STAR Bonds  
22 Tax Allocation Fund for the purpose of paying STAR bond  
23 project costs and obligations incurred in the payment of those  
24 costs if such taxes are designated as pledged STAR revenues by  
25 resolution or ordinance of the political subdivision or (ii)  
26 the political subdivision's general corporate fund if such

1 taxes are not designated as pledged STAR revenues by  
2 resolution or ordinance.

3 The tax imposed under this Section by a municipality may  
4 be imposed only on the portion of a STAR bond district that is  
5 within the boundaries of the municipality. For any part of a  
6 STAR bond district that lies outside of the boundaries of that  
7 municipality, the municipality in which the other part of the  
8 STAR bond district lies (or the county, in cases where a  
9 portion of the STAR bond district lies in the unincorporated  
10 area of a county) is authorized to impose the tax under this  
11 Section on that part of the STAR bond district.

12 (b) The corporate authorities of a political subdivision  
13 that has established a STAR bond district under this Act may,  
14 by ordinance or resolution, impose a STAR Bond Retailers'  
15 Occupation Tax upon all persons engaged in the business of  
16 selling tangible personal property, other than an item of  
17 tangible personal property titled or registered with an agency  
18 of this State's government, at retail in the STAR bond  
19 district at a rate not to exceed 1% of the gross receipts from  
20 the sales made in the course of that business, to be imposed  
21 only in 0.25% increments. The tax may not be imposed on  
22 tangible personal property taxed at the 1% rate under the  
23 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
24 this amendatory Act of the 102nd General Assembly). Beginning  
25 December 1, 2019 and through December 31, 2020, this tax is not  
26 imposed on sales of aviation fuel unless the tax revenue is

1 expended for airport-related purposes. If the District does  
2 not have an airport-related purpose to which aviation fuel tax  
3 revenue is dedicated, then aviation fuel is excluded from the  
4 tax. The municipality must comply with the certification  
5 requirements for airport-related purposes under Section 2-22  
6 of the Retailers' Occupation Tax Act. For purposes of this  
7 Act, "airport-related purposes" has the meaning ascribed in  
8 Section 6z-20.2 of the State Finance Act. Beginning January 1,  
9 2021, this tax is not imposed on sales of aviation fuel for so  
10 long as the revenue use requirements of 49 U.S.C. 47107(b) and  
11 49 U.S.C. 47133 are binding on the District.

12 The tax imposed under this subsection and all civil  
13 penalties that may be assessed as an incident thereof shall be  
14 collected and enforced by the Department of Revenue. The  
15 certificate of registration that is issued by the Department  
16 to a retailer under the Retailers' Occupation Tax Act shall  
17 permit the retailer to engage in a business that is taxable  
18 under any ordinance or resolution enacted pursuant to this  
19 subsection without registering separately with the Department  
20 under such ordinance or resolution or under this subsection.  
21 The Department of Revenue shall have full power to administer  
22 and enforce this subsection, to collect all taxes and  
23 penalties due under this subsection in the manner hereinafter  
24 provided, and to determine all rights to credit memoranda  
25 arising on account of the erroneous payment of tax or penalty  
26 under this subsection. In the administration of, and

1 compliance with, this subsection, the Department and persons  
2 who are subject to this subsection shall have the same rights,  
3 remedies, privileges, immunities, powers, and duties, and be  
4 subject to the same conditions, restrictions, limitations,  
5 penalties, exclusions, exemptions, and definitions of terms  
6 and employ the same modes of procedure, as are prescribed in  
7 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
8 provisions therein other than the State rate of tax), 2c  
9 through 2h, 3 (except as to the disposition of taxes and  
10 penalties collected, and except that the retailer's discount  
11 is not allowed for taxes paid on aviation fuel that are subject  
12 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
13 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,  
14 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
15 Retailers' Occupation Tax Act and all provisions of the  
16 Uniform Penalty and Interest Act, as fully as if those  
17 provisions were set forth herein.

18 If a tax is imposed under this subsection (b), a tax shall  
19 also be imposed under subsection (c) of this Section.

20 (c) If a tax has been imposed under subsection (b), a STAR  
21 Bond Service Occupation Tax shall also be imposed upon all  
22 persons engaged, in the STAR bond district, in the business of  
23 making sales of service, who, as an incident to making those  
24 sales of service, transfer tangible personal property within  
25 the STAR bond district, either in the form of tangible  
26 personal property or in the form of real estate as an incident

1 to a sale of service. The tax shall be imposed at the same rate  
2 as the tax imposed in subsection (b) and shall not exceed 1% of  
3 the selling price of tangible personal property so transferred  
4 within the STAR bond district, to be imposed only in 0.25%  
5 increments. The tax may not be imposed on tangible personal  
6 property taxed at the 1% rate under the Service Occupation Tax  
7 Act (or at the 0% rate imposed under this amendatory Act of the  
8 102nd General Assembly). Beginning December 1, 2019 and  
9 through December 31, 2020, this tax is not imposed on sales of  
10 aviation fuel unless the tax revenue is expended for  
11 airport-related purposes. If the District does not have an  
12 airport-related purpose to which aviation fuel tax revenue is  
13 dedicated, then aviation fuel is excluded from the tax. The  
14 municipality must comply with the certification requirements  
15 for airport-related purposes under Section 2-22 of the  
16 Retailers' Occupation Tax Act. For purposes of this Act,  
17 "airport-related purposes" has the meaning ascribed in Section  
18 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
19 this tax is not imposed on sales of aviation fuel for so long  
20 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
21 U.S.C. 47133 are binding on the District.

22 The tax imposed under this subsection and all civil  
23 penalties that may be assessed as an incident thereof shall be  
24 collected and enforced by the Department of Revenue. The  
25 certificate of registration that is issued by the Department  
26 to a retailer under the Retailers' Occupation Tax Act or under



1 the Service Occupation Tax Act shall permit the registrant to  
2 engage in a business that is taxable under any ordinance or  
3 resolution enacted pursuant to this subsection without  
4 registering separately with the Department under that  
5 ordinance or resolution or under this subsection. The  
6 Department of Revenue shall have full power to administer and  
7 enforce this subsection, to collect all taxes and penalties  
8 due under this subsection, to dispose of taxes and penalties  
9 so collected in the manner hereinafter provided, and to  
10 determine all rights to credit memoranda arising on account of  
11 the erroneous payment of tax or penalty under this subsection.  
12 In the administration of, and compliance with this subsection,  
13 the Department and persons who are subject to this subsection  
14 shall have the same rights, remedies, privileges, immunities,  
15 powers, and duties, and be subject to the same conditions,  
16 restrictions, limitations, penalties, exclusions, exemptions,  
17 and definitions of terms and employ the same modes of  
18 procedure as are prescribed in Sections 2, 2a through 2d, 3  
19 through 3-50 (in respect to all provisions therein other than  
20 the State rate of tax), 4 (except that the reference to the  
21 State shall be to the STAR bond district), 5, 7, 8 (except that  
22 the jurisdiction to which the tax shall be a debt to the extent  
23 indicated in that Section 8 shall be the political  
24 subdivision), 9 (except as to the disposition of taxes and  
25 penalties collected, and except that the returned merchandise  
26 credit for this tax may not be taken against any State tax, and

1 except that the retailer's discount is not allowed for taxes  
2 paid on aviation fuel that are subject to the revenue use  
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
4 11, 12 (except the reference therein to Section 2b of the  
5 Retailers' Occupation Tax Act), 13 (except that any reference  
6 to the State shall mean the political subdivision), the first  
7 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of  
8 the Service Occupation Tax Act and all provisions of the  
9 Uniform Penalty and Interest Act, as fully as if those  
10 provisions were set forth herein.

11 If a tax is imposed under this subsection (c), a tax shall  
12 also be imposed under subsection (b) of this Section.

13 (d) Persons subject to any tax imposed under this Section  
14 may reimburse themselves for their seller's tax liability  
15 under this Section by separately stating the tax as an  
16 additional charge, which charge may be stated in combination,  
17 in a single amount, with State taxes that sellers are required  
18 to collect under the Use Tax Act, in accordance with such  
19 bracket schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this Section to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the order to be drawn for the  
24 amount specified and to the person named in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund

1 or the Local Government Aviation Trust Fund, as appropriate.

2 Except as otherwise provided in this paragraph, the  
3 Department shall immediately pay over to the State Treasurer,  
4 ex officio, as trustee, all taxes, penalties, and interest  
5 collected under this Section for deposit into the STAR Bond  
6 Retailers' Occupation Tax Fund. Taxes and penalties collected  
7 on aviation fuel sold on or after December 1, 2019, shall be  
8 immediately paid over by the Department to the State  
9 Treasurer, ex officio, as trustee, for deposit into the Local  
10 Government Aviation Trust Fund. The Department shall only pay  
11 moneys into the Local Government Aviation Trust Fund under  
12 this Section for so long as the revenue use requirements of 49  
13 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
14 District. On or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money to named political  
17 subdivisions from the STAR Bond Retailers' Occupation Tax  
18 Fund, the political subdivisions to be those from which  
19 retailers have paid taxes or penalties under this Section to  
20 the Department during the second preceding calendar month. The  
21 amount to be paid to each political subdivision shall be the  
22 amount (not including credit memoranda and not including taxes  
23 and penalties collected on aviation fuel sold on or after  
24 December 1, 2019) collected under this Section during the  
25 second preceding calendar month by the Department plus an  
26 amount the Department determines is necessary to offset any

1 amounts that were erroneously paid to a different taxing body,  
2 and not including an amount equal to the amount of refunds made  
3 during the second preceding calendar month by the Department,  
4 less 3% of that amount, which shall be deposited into the Tax  
5 Compliance and Administration Fund and shall be used by the  
6 Department, subject to appropriation, to cover the costs of  
7 the Department in administering and enforcing the provisions  
8 of this Section, on behalf of such political subdivision, and  
9 not including any amount that the Department determines is  
10 necessary to offset any amounts that were payable to a  
11 different taxing body but were erroneously paid to the  
12 political subdivision. Within 10 days after receipt by the  
13 Comptroller of the disbursement certification to the political  
14 subdivisions provided for in this Section to be given to the  
15 Comptroller by the Department, the Comptroller shall cause the  
16 orders to be drawn for the respective amounts in accordance  
17 with the directions contained in the certification. The  
18 proceeds of the tax paid to political subdivisions under this  
19 Section shall be deposited into either (i) the STAR Bonds Tax  
20 Allocation Fund by the political subdivision if the political  
21 subdivision has designated them as pledged STAR revenues by  
22 resolution or ordinance or (ii) the political subdivision's  
23 general corporate fund if the political subdivision has not  
24 designated them as pledged STAR revenues.

25 An ordinance or resolution imposing or discontinuing the  
26 tax under this Section or effecting a change in the rate

1       thereof shall either (i) be adopted and a certified copy  
2       thereof filed with the Department on or before the first day of  
3       April, whereupon the Department, if all other requirements of  
4       this Section are met, shall proceed to administer and enforce  
5       this Section as of the first day of July next following the  
6       adoption and filing; or (ii) be adopted and a certified copy  
7       thereof filed with the Department on or before the first day of  
8       October, whereupon, if all other requirements of this Section  
9       are met, the Department shall proceed to administer and  
10      enforce this Section as of the first day of January next  
11      following the adoption and filing.

12           The Department of Revenue shall not administer or enforce  
13      an ordinance imposing, discontinuing, or changing the rate of  
14      the tax under this Section until the political subdivision  
15      also provides, in the manner prescribed by the Department, the  
16      boundaries of the STAR bond district and each address in the  
17      STAR bond district in such a way that the Department can  
18      determine by its address whether a business is located in the  
19      STAR bond district. The political subdivision must provide  
20      this boundary and address information to the Department on or  
21      before April 1 for administration and enforcement of the tax  
22      under this Section by the Department beginning on the  
23      following July 1 and on or before October 1 for administration  
24      and enforcement of the tax under this Section by the  
25      Department beginning on the following January 1. The  
26      Department of Revenue shall not administer or enforce any

1 change made to the boundaries of a STAR bond district or any  
2 address change, addition, or deletion until the political  
3 subdivision reports the boundary change or address change,  
4 addition, or deletion to the Department in the manner  
5 prescribed by the Department. The political subdivision must  
6 provide this boundary change or address change, addition, or  
7 deletion information to the Department on or before April 1  
8 for administration and enforcement by the Department of the  
9 change, addition, or deletion beginning on the following July  
10 1 and on or before October 1 for administration and  
11 enforcement by the Department of the change, addition, or  
12 deletion beginning on the following January 1. The retailers  
13 in the STAR bond district shall be responsible for charging  
14 the tax imposed under this Section. If a retailer is  
15 incorrectly included or excluded from the list of those  
16 required to collect the tax under this Section, both the  
17 Department of Revenue and the retailer shall be held harmless  
18 if they reasonably relied on information provided by the  
19 political subdivision.

20 A political subdivision that imposes the tax under this  
21 Section must submit to the Department of Revenue any other  
22 information as the Department may require that is necessary  
23 for the administration and enforcement of the tax.

24 When certifying the amount of a monthly disbursement to a  
25 political subdivision under this Section, the Department shall  
26 increase or decrease the amount by an amount necessary to

1 offset any misallocation of previous disbursements. The offset  
2 amount shall be the amount erroneously disbursed within the  
3 previous 6 months from the time a misallocation is discovered.

4 Nothing in this Section shall be construed to authorize  
5 the political subdivision to impose a tax upon the privilege  
6 of engaging in any business which under the Constitution of  
7 the United States may not be made the subject of taxation by  
8 this State.

9 (e) When STAR bond project costs, including, without  
10 limitation, all political subdivision obligations financing  
11 STAR bond project costs, have been paid, any surplus funds  
12 then remaining in the STAR Bonds Tax Allocation Fund shall be  
13 distributed to the treasurer of the political subdivision for  
14 deposit into the political subdivision's general corporate  
15 fund. Upon payment of all STAR bond project costs and  
16 retirement of obligations, but in no event later than the  
17 maximum maturity date of the last of the STAR bonds issued in  
18 the STAR bond district, the political subdivision shall adopt  
19 an ordinance immediately rescinding the taxes imposed pursuant  
20 to this Section and file a certified copy of the ordinance with  
21 the Department in the form and manner as described in this  
22 Section.

23 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
24 101-604, eff. 12-13-19.)

25 Section 60-40. The Counties Code is amended by changing

1 Sections 5-1006, 5-1006.5, 5-1006.7, and 5-1007 as follows:

2 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

3 Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
4 Law. Any county that is a home rule unit may impose a tax upon  
5 all persons engaged in the business of selling tangible  
6 personal property, other than an item of tangible personal  
7 property titled or registered with an agency of this State's  
8 government, at retail in the county on the gross receipts from  
9 such sales made in the course of their business. If imposed,  
10 this tax shall only be imposed in 1/4% increments. On and after  
11 September 1, 1991, this additional tax may not be imposed on  
12 tangible personal property taxed at the 1% rate under the  
13 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
14 this amendatory Act of the 102nd General Assembly). Beginning  
15 December 1, 2019, this tax is not imposed on sales of aviation  
16 fuel unless the tax revenue is expended for airport-related  
17 purposes. If the county does not have an airport-related  
18 purpose to which it dedicates aviation fuel tax revenue, then  
19 aviation fuel is excluded from the tax. The county must comply  
20 with the certification requirements for airport-related  
21 purposes under Section 2-22 of the Retailers' Occupation Tax  
22 Act. For purposes of this Section, "airport-related purposes"  
23 has the meaning ascribed in Section 6z-20.2 of the State  
24 Finance Act. This exclusion for aviation fuel only applies for  
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)



1 and 49 U.S.C. 47133 are binding on the county. The changes made  
2 to this Section by this amendatory Act of the 101st General  
3 Assembly are a denial and limitation of home rule powers and  
4 functions under subsection (g) of Section 6 of Article VII of  
5 the Illinois Constitution. The tax imposed by a home rule  
6 county pursuant to this Section and all civil penalties that  
7 may be assessed as an incident thereof shall be collected and  
8 enforced by the State Department of Revenue. The certificate  
9 of registration that is issued by the Department to a retailer  
10 under the Retailers' Occupation Tax Act shall permit the  
11 retailer to engage in a business that is taxable under any  
12 ordinance or resolution enacted pursuant to this Section  
13 without registering separately with the Department under such  
14 ordinance or resolution or under this Section. The Department  
15 shall have full power to administer and enforce this Section;  
16 to collect all taxes and penalties due hereunder; to dispose  
17 of taxes and penalties so collected in the manner hereinafter  
18 provided; and to determine all rights to credit memoranda  
19 arising on account of the erroneous payment of tax or penalty  
20 hereunder. In the administration of, and compliance with, this  
21 Section, the Department and persons who are subject to this  
22 Section shall have the same rights, remedies, privileges,  
23 immunities, powers and duties, and be subject to the same  
24 conditions, restrictions, limitations, penalties and  
25 definitions of terms, and employ the same modes of procedure,  
26 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,

1 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions  
2 therein other than the State rate of tax), 3 (except as to the  
3 disposition of taxes and penalties collected, and except that  
4 the retailer's discount is not allowed for taxes paid on  
5 aviation fuel that are subject to the revenue use requirements  
6 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
7 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
8 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
9 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
10 as if those provisions were set forth herein.

11 No tax may be imposed by a home rule county pursuant to  
12 this Section unless the county also imposes a tax at the same  
13 rate pursuant to Section 5-1007.

14 Persons subject to any tax imposed pursuant to the  
15 authority granted in this Section may reimburse themselves for  
16 their seller's tax liability hereunder by separately stating  
17 such tax as an additional charge, which charge may be stated in  
18 combination, in a single amount, with State tax which sellers  
19 are required to collect under the Use Tax Act, pursuant to such  
20 bracket schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be  
22 made under this Section to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the order to be drawn for the  
25 amount specified and to the person named in the notification  
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the home rule county retailers' occupation  
2 tax fund or the Local Government Aviation Trust Fund, as  
3 appropriate.

4 Except as otherwise provided in this paragraph, the  
5 Department shall forthwith pay over to the State Treasurer, ex  
6 officio, as trustee, all taxes and penalties collected  
7 hereunder for deposit into the Home Rule County Retailers'  
8 Occupation Tax Fund. Taxes and penalties collected on aviation  
9 fuel sold on or after December 1, 2019, shall be immediately  
10 paid over by the Department to the State Treasurer, ex  
11 officio, as trustee, for deposit into the Local Government  
12 Aviation Trust Fund. The Department shall only pay moneys into  
13 the Local Government Aviation Trust Fund under this Section  
14 for so long as the revenue use requirements of 49 U.S.C.  
15 47107(b) and 49 U.S.C. 47133 are binding on the county.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the  
18 Department of Revenue, the Comptroller shall order  
19 transferred, and the Treasurer shall transfer, to the STAR  
20 Bonds Revenue Fund the local sales tax increment, as defined  
21 in the Innovation Development and Economy Act, collected under  
22 this Section during the second preceding calendar month for  
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named counties, the  
2 counties to be those from which retailers have paid taxes or  
3 penalties hereunder to the Department during the second  
4 preceding calendar month. The amount to be paid to each county  
5 shall be the amount (not including credit memoranda and not  
6 including taxes and penalties collected on aviation fuel sold  
7 on or after December 1, 2019) collected hereunder during the  
8 second preceding calendar month by the Department plus an  
9 amount the Department determines is necessary to offset any  
10 amounts that were erroneously paid to a different taxing body,  
11 and not including an amount equal to the amount of refunds made  
12 during the second preceding calendar month by the Department  
13 on behalf of such county, and not including any amount which  
14 the Department determines is necessary to offset any amounts  
15 which were payable to a different taxing body but were  
16 erroneously paid to the county, and not including any amounts  
17 that are transferred to the STAR Bonds Revenue Fund, less 1.5%  
18 of the remainder, which the Department shall transfer into the  
19 Tax Compliance and Administration Fund. The Department, at the  
20 time of each monthly disbursement to the counties, shall  
21 prepare and certify to the State Comptroller the amount to be  
22 transferred into the Tax Compliance and Administration Fund  
23 under this Section. Within 10 days after receipt, by the  
24 Comptroller, of the disbursement certification to the counties  
25 and the Tax Compliance and Administration Fund provided for in  
26 this Section to be given to the Comptroller by the Department,

1 the Comptroller shall cause the orders to be drawn for the  
2 respective amounts in accordance with the directions contained  
3 in the certification.

4 In addition to the disbursement required by the preceding  
5 paragraph, an allocation shall be made in March of each year to  
6 each county that received more than \$500,000 in disbursements  
7 under the preceding paragraph in the preceding calendar year.  
8 The allocation shall be in an amount equal to the average  
9 monthly distribution made to each such county under the  
10 preceding paragraph during the preceding calendar year  
11 (excluding the 2 months of highest receipts). The distribution  
12 made in March of each year subsequent to the year in which an  
13 allocation was made pursuant to this paragraph and the  
14 preceding paragraph shall be reduced by the amount allocated  
15 and disbursed under this paragraph in the preceding calendar  
16 year. The Department shall prepare and certify to the  
17 Comptroller for disbursement the allocations made in  
18 accordance with this paragraph.

19 For the purpose of determining the local governmental unit  
20 whose tax is applicable, a retail sale by a producer of coal or  
21 other mineral mined in Illinois is a sale at retail at the  
22 place where the coal or other mineral mined in Illinois is  
23 extracted from the earth. This paragraph does not apply to  
24 coal or other mineral when it is delivered or shipped by the  
25 seller to the purchaser at a point outside Illinois so that the  
26 sale is exempt under the United States Constitution as a sale

1 in interstate or foreign commerce.

2 Nothing in this Section shall be construed to authorize a  
3 county to impose a tax upon the privilege of engaging in any  
4 business which under the Constitution of the United States may  
5 not be made the subject of taxation by this State.

6 An ordinance or resolution imposing or discontinuing a tax  
7 hereunder or effecting a change in the rate thereof shall be  
8 adopted and a certified copy thereof filed with the Department  
9 on or before the first day of June, whereupon the Department  
10 shall proceed to administer and enforce this Section as of the  
11 first day of September next following such adoption and  
12 filing. Beginning January 1, 1992, an ordinance or resolution  
13 imposing or discontinuing the tax hereunder or effecting a  
14 change in the rate thereof shall be adopted and a certified  
15 copy thereof filed with the Department on or before the first  
16 day of July, whereupon the Department shall proceed to  
17 administer and enforce this Section as of the first day of  
18 October next following such adoption and filing. Beginning  
19 January 1, 1993, an ordinance or resolution imposing or  
20 discontinuing the tax hereunder or effecting a change in the  
21 rate thereof shall be adopted and a certified copy thereof  
22 filed with the Department on or before the first day of  
23 October, whereupon the Department shall proceed to administer  
24 and enforce this Section as of the first day of January next  
25 following such adoption and filing. Beginning April 1, 1998,  
26 an ordinance or resolution imposing or discontinuing the tax

1 hereunder or effecting a change in the rate thereof shall  
2 either (i) be adopted and a certified copy thereof filed with  
3 the Department on or before the first day of April, whereupon  
4 the Department shall proceed to administer and enforce this  
5 Section as of the first day of July next following the adoption  
6 and filing; or (ii) be adopted and a certified copy thereof  
7 filed with the Department on or before the first day of  
8 October, whereupon the Department shall proceed to administer  
9 and enforce this Section as of the first day of January next  
10 following the adoption and filing.

11 When certifying the amount of a monthly disbursement to a  
12 county under this Section, the Department shall increase or  
13 decrease such amount by an amount necessary to offset any  
14 misallocation of previous disbursements. The offset amount  
15 shall be the amount erroneously disbursed within the previous  
16 6 months from the time a misallocation is discovered.

17 This Section shall be known and may be cited as the Home  
18 Rule County Retailers' Occupation Tax Law.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
20 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
21 7-12-19; 101-604, eff. 12-13-19.)

22 (55 ILCS 5/5-1006.5)

23 Sec. 5-1006.5. Special County Retailers' Occupation Tax  
24 For Public Safety, Public Facilities, Mental Health, Substance  
25 Abuse, or Transportation.

1           (a) The county board of any county may impose a tax upon  
2 all persons engaged in the business of selling tangible  
3 personal property, other than personal property titled or  
4 registered with an agency of this State's government, at  
5 retail in the county on the gross receipts from the sales made  
6 in the course of business to provide revenue to be used  
7 exclusively for public safety, public facility, mental health,  
8 substance abuse, or transportation purposes in that county  
9 (except as otherwise provided in this Section), if a  
10 proposition for the tax has been submitted to the electors of  
11 that county and approved by a majority of those voting on the  
12 question. If imposed, this tax shall be imposed only in  
13 one-quarter percent increments. By resolution, the county  
14 board may order the proposition to be submitted at any  
15 election. If the tax is imposed for transportation purposes  
16 for expenditures for public highways or as authorized under  
17 the Illinois Highway Code, the county board must publish  
18 notice of the existence of its long-range highway  
19 transportation plan as required or described in Section 5-301  
20 of the Illinois Highway Code and must make the plan publicly  
21 available prior to approval of the ordinance or resolution  
22 imposing the tax. If the tax is imposed for transportation  
23 purposes for expenditures for passenger rail transportation,  
24 the county board must publish notice of the existence of its  
25 long-range passenger rail transportation plan and must make  
26 the plan publicly available prior to approval of the ordinance



1 or resolution imposing the tax.

2 If a tax is imposed for public facilities purposes, then  
3 the name of the project may be included in the proposition at  
4 the discretion of the county board as determined in the  
5 enabling resolution. For example, the "XXX Nursing Home" or  
6 the "YYY Museum".

7 The county clerk shall certify the question to the proper  
8 election authority, who shall submit the proposition at an  
9 election in accordance with the general election law.

10 (1) The proposition for public safety purposes shall  
11 be in substantially the following form:

12 "To pay for public safety purposes, shall (name of  
13 county) be authorized to impose an increase on its share  
14 of local sales taxes by (insert rate)?"

15 As additional information on the ballot below the  
16 question shall appear the following:

17 "This would mean that a consumer would pay an  
18 additional (insert amount) in sales tax for every \$100 of  
19 tangible personal property bought at retail."

20 The county board may also opt to establish a sunset  
21 provision at which time the additional sales tax would  
22 cease being collected, if not terminated earlier by a vote  
23 of the county board. If the county board votes to include a  
24 sunset provision, the proposition for public safety  
25 purposes shall be in substantially the following form:

26 "To pay for public safety purposes, shall (name of

1 county) be authorized to impose an increase on its share  
2 of local sales taxes by (insert rate) for a period not to  
3 exceed (insert number of years)?"

4 As additional information on the ballot below the  
5 question shall appear the following:

6 "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail. If imposed,  
9 the additional tax would cease being collected at the end  
10 of (insert number of years), if not terminated earlier by  
11 a vote of the county board."

12 For the purposes of the paragraph, "public safety  
13 purposes" means crime prevention, detention, fire  
14 fighting, police, medical, ambulance, or other emergency  
15 services.

16 Votes shall be recorded as "Yes" or "No".

17 Beginning on the January 1 or July 1, whichever is  
18 first, that occurs not less than 30 days after May 31, 2015  
19 (the effective date of Public Act 99-4), Adams County may  
20 impose a public safety retailers' occupation tax and  
21 service occupation tax at the rate of 0.25%, as provided  
22 in the referendum approved by the voters on April 7, 2015,  
23 notwithstanding the omission of the additional information  
24 that is otherwise required to be printed on the ballot  
25 below the question pursuant to this item (1).

26 (2) The proposition for transportation purposes shall

1 be in substantially the following form:

2 "To pay for improvements to roads and other  
3 transportation purposes, shall (name of county) be  
4 authorized to impose an increase on its share of local  
5 sales taxes by (insert rate)?"

6 As additional information on the ballot below the  
7 question shall appear the following:

8 "This would mean that a consumer would pay an  
9 additional (insert amount) in sales tax for every \$100 of  
10 tangible personal property bought at retail."

11 The county board may also opt to establish a sunset  
12 provision at which time the additional sales tax would  
13 cease being collected, if not terminated earlier by a vote  
14 of the county board. If the county board votes to include a  
15 sunset provision, the proposition for transportation  
16 purposes shall be in substantially the following form:

17 "To pay for road improvements and other transportation  
18 purposes, shall (name of county) be authorized to impose  
19 an increase on its share of local sales taxes by (insert  
20 rate) for a period not to exceed (insert number of  
21 years)?"

22 As additional information on the ballot below the  
23 question shall appear the following:

24 "This would mean that a consumer would pay an  
25 additional (insert amount) in sales tax for every \$100 of  
26 tangible personal property bought at retail. If imposed,

1 the additional tax would cease being collected at the end  
2 of (insert number of years), if not terminated earlier by  
3 a vote of the county board."

4 For the purposes of this paragraph, transportation  
5 purposes means construction, maintenance, operation, and  
6 improvement of public highways, any other purpose for  
7 which a county may expend funds under the Illinois Highway  
8 Code, and passenger rail transportation.

9 The votes shall be recorded as "Yes" or "No".

10 (3) The proposition for public facilities purposes  
11 shall be in substantially the following form:

12 "To pay for public facilities purposes, shall (name of  
13 county) be authorized to impose an increase on its share  
14 of local sales taxes by (insert rate)?"

15 As additional information on the ballot below the  
16 question shall appear the following:

17 "This would mean that a consumer would pay an  
18 additional (insert amount) in sales tax for every \$100 of  
19 tangible personal property bought at retail."

20 The county board may also opt to establish a sunset  
21 provision at which time the additional sales tax would  
22 cease being collected, if not terminated earlier by a vote  
23 of the county board. If the county board votes to include a  
24 sunset provision, the proposition for public facilities  
25 purposes shall be in substantially the following form:

26 "To pay for public facilities purposes, shall (name of

1 county) be authorized to impose an increase on its share  
2 of local sales taxes by (insert rate) for a period not to  
3 exceed (insert number of years)?"

4 As additional information on the ballot below the  
5 question shall appear the following:

6 "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail. If imposed,  
9 the additional tax would cease being collected at the end  
10 of (insert number of years), if not terminated earlier by  
11 a vote of the county board."

12 For purposes of this Section, "public facilities  
13 purposes" means the acquisition, development,  
14 construction, reconstruction, rehabilitation,  
15 improvement, financing, architectural planning, and  
16 installation of capital facilities consisting of  
17 buildings, structures, and durable equipment and for the  
18 acquisition and improvement of real property and interest  
19 in real property required, or expected to be required, in  
20 connection with the public facilities, for use by the  
21 county for the furnishing of governmental services to its  
22 citizens, including, but not limited to, museums and  
23 nursing homes.

24 The votes shall be recorded as "Yes" or "No".

25 (4) The proposition for mental health purposes shall  
26 be in substantially the following form:

1            "To pay for mental health purposes, shall (name of  
2 county) be authorized to impose an increase on its share  
3 of local sales taxes by (insert rate)?"

4            As additional information on the ballot below the  
5 question shall appear the following:

6            "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail."

9            The county board may also opt to establish a sunset  
10 provision at which time the additional sales tax would  
11 cease being collected, if not terminated earlier by a vote  
12 of the county board. If the county board votes to include a  
13 sunset provision, the proposition for public facilities  
14 purposes shall be in substantially the following form:

15           "To pay for mental health purposes, shall (name of  
16 county) be authorized to impose an increase on its share  
17 of local sales taxes by (insert rate) for a period not to  
18 exceed (insert number of years)?"

19           As additional information on the ballot below the  
20 question shall appear the following:

21           "This would mean that a consumer would pay an  
22 additional (insert amount) in sales tax for every \$100 of  
23 tangible personal property bought at retail. If imposed,  
24 the additional tax would cease being collected at the end  
25 of (insert number of years), if not terminated earlier by  
26 a vote of the county board."

1           The votes shall be recorded as "Yes" or "No".

2           (5) The proposition for substance abuse purposes shall  
3 be in substantially the following form:

4           "To pay for substance abuse purposes, shall (name of  
5 county) be authorized to impose an increase on its share  
6 of local sales taxes by (insert rate)?"

7           As additional information on the ballot below the  
8 question shall appear the following:

9           "This would mean that a consumer would pay an  
10 additional (insert amount) in sales tax for every \$100 of  
11 tangible personal property bought at retail."

12           The county board may also opt to establish a sunset  
13 provision at which time the additional sales tax would  
14 cease being collected, if not terminated earlier by a vote  
15 of the county board. If the county board votes to include a  
16 sunset provision, the proposition for public facilities  
17 purposes shall be in substantially the following form:

18           "To pay for substance abuse purposes, shall (name of  
19 county) be authorized to impose an increase on its share  
20 of local sales taxes by (insert rate) for a period not to  
21 exceed (insert number of years)?"

22           As additional information on the ballot below the  
23 question shall appear the following:

24           "This would mean that a consumer would pay an  
25 additional (insert amount) in sales tax for every \$100 of  
26 tangible personal property bought at retail. If imposed,

1 the additional tax would cease being collected at the end  
2 of (insert number of years), if not terminated earlier by  
3 a vote of the county board."

4 The votes shall be recorded as "Yes" or "No".

5 If a majority of the electors voting on the proposition  
6 vote in favor of it, the county may impose the tax. A county  
7 may not submit more than one proposition authorized by this  
8 Section to the electors at any one time.

9 This additional tax may not be imposed on tangible  
10 personal property taxed at the 1% rate under the Retailers'  
11 Occupation Tax Act (or at the 0% rate imposed under this  
12 amendatory Act of the 102nd General Assembly). Beginning  
13 December 1, 2019 and through December 31, 2020, this tax is not  
14 imposed on sales of aviation fuel unless the tax revenue is  
15 expended for airport-related purposes. If the county does not  
16 have an airport-related purpose to which it dedicates aviation  
17 fuel tax revenue, then aviation fuel is excluded from the tax.  
18 The county must comply with the certification requirements for  
19 airport-related purposes under Section 2-22 of the Retailers'  
20 Occupation Tax Act. For purposes of this Section,  
21 "airport-related purposes" has the meaning ascribed in Section  
22 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
23 this tax is not imposed on sales of aviation fuel for so long  
24 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
25 U.S.C. 47133 are binding on the county. The tax imposed by a  
26 county under this Section and all civil penalties that may be



1 assessed as an incident of the tax shall be collected and  
2 enforced by the Illinois Department of Revenue and deposited  
3 into a special fund created for that purpose. The certificate  
4 of registration that is issued by the Department to a retailer  
5 under the Retailers' Occupation Tax Act shall permit the  
6 retailer to engage in a business that is taxable without  
7 registering separately with the Department under an ordinance  
8 or resolution under this Section. The Department has full  
9 power to administer and enforce this Section, to collect all  
10 taxes and penalties due under this Section, to dispose of  
11 taxes and penalties so collected in the manner provided in  
12 this Section, and to determine all rights to credit memoranda  
13 arising on account of the erroneous payment of a tax or penalty  
14 under this Section. In the administration of and compliance  
15 with this Section, the Department and persons who are subject  
16 to this Section shall (i) have the same rights, remedies,  
17 privileges, immunities, powers, and duties, (ii) be subject to  
18 the same conditions, restrictions, limitations, penalties, and  
19 definitions of terms, and (iii) employ the same modes of  
20 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,  
21 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all  
22 provisions contained in those Sections other than the State  
23 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
24 transaction returns and quarter monthly payments, and except  
25 that the retailer's discount is not allowed for taxes paid on  
26 aviation fuel that are deposited into the Local Government

1 Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
2 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13  
3 of the Retailers' Occupation Tax Act and Section 3-7 of the  
4 Uniform Penalty and Interest Act as if those provisions were  
5 set forth in this Section.

6 Persons subject to any tax imposed under the authority  
7 granted in this Section may reimburse themselves for their  
8 sellers' tax liability by separately stating the tax as an  
9 additional charge, which charge may be stated in combination,  
10 in a single amount, with State tax which sellers are required  
11 to collect under the Use Tax Act, pursuant to such bracketed  
12 schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be  
14 made under this Section to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause the order to be drawn for the  
17 amount specified and to the person named in the notification  
18 from the Department. The refund shall be paid by the State  
19 Treasurer out of the County Public Safety, Public Facilities,  
20 Mental Health, Substance Abuse, or Transportation Retailers'  
21 Occupation Tax Fund or the Local Government Aviation Trust  
22 Fund, as appropriate.

23 (b) If a tax has been imposed under subsection (a), a  
24 service occupation tax shall also be imposed at the same rate  
25 upon all persons engaged, in the county, in the business of  
26 making sales of service, who, as an incident to making those

1 sales of service, transfer tangible personal property within  
2 the county as an incident to a sale of service. This tax may  
3 not be imposed on tangible personal property taxed at the 1%  
4 rate under the Service Occupation Tax Act (or at the 0% rate  
5 imposed under this amendatory Act of the 102nd General  
6 Assembly). Beginning December 1, 2019 and through December 31,  
7 2020, this tax is not imposed on sales of aviation fuel unless  
8 the tax revenue is expended for airport-related purposes. If  
9 the county does not have an airport-related purpose to which  
10 it dedicates aviation fuel tax revenue, then aviation fuel is  
11 excluded from the tax. The county must comply with the  
12 certification requirements for airport-related purposes under  
13 Section 2-22 of the Retailers' Occupation Tax Act. For  
14 purposes of this Section, "airport-related purposes" has the  
15 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
16 Beginning January 1, 2021, this tax is not imposed on sales of  
17 aviation fuel for so long as the revenue use requirements of 49  
18 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.  
19 The tax imposed under this subsection and all civil penalties  
20 that may be assessed as an incident thereof shall be collected  
21 and enforced by the Department of Revenue. The Department has  
22 full power to administer and enforce this subsection; to  
23 collect all taxes and penalties due hereunder; to dispose of  
24 taxes and penalties so collected in the manner hereinafter  
25 provided; and to determine all rights to credit memoranda  
26 arising on account of the erroneous payment of tax or penalty

1 hereunder. In the administration of and compliance with this  
2 subsection, the Department and persons who are subject to this  
3 paragraph shall (i) have the same rights, remedies,  
4 privileges, immunities, powers, and duties, (ii) be subject to  
5 the same conditions, restrictions, limitations, penalties,  
6 exclusions, exemptions, and definitions of terms, and (iii)  
7 employ the same modes of procedure as are prescribed in  
8 Sections 2 (except that the reference to State in the  
9 definition of supplier maintaining a place of business in this  
10 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in  
11 respect to all provisions therein other than the State rate of  
12 tax), 4 (except that the reference to the State shall be to the  
13 county), 5, 7, 8 (except that the jurisdiction to which the tax  
14 shall be a debt to the extent indicated in that Section 8 shall  
15 be the county), 9 (except as to the disposition of taxes and  
16 penalties collected, and except that the retailer's discount  
17 is not allowed for taxes paid on aviation fuel that are  
18 deposited into the Local Government Aviation Trust Fund), 10,  
19 11, 12 (except the reference therein to Section 2b of the  
20 Retailers' Occupation Tax Act), 13 (except that any reference  
21 to the State shall mean the county), Section 15, 16, 17, 18,  
22 19, and 20 of the Service Occupation Tax Act, and Section 3-7  
23 of the Uniform Penalty and Interest Act, as fully as if those  
24 provisions were set forth herein.

25 Persons subject to any tax imposed under the authority  
26 granted in this subsection may reimburse themselves for their

1 serviceman's tax liability by separately stating the tax as an  
2 additional charge, which charge may be stated in combination,  
3 in a single amount, with State tax that servicemen are  
4 authorized to collect under the Service Use Tax Act, in  
5 accordance with such bracket schedules as the Department may  
6 prescribe.

7 Whenever the Department determines that a refund should be  
8 made under this subsection to a claimant instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause the warrant to be drawn for the  
11 amount specified, and to the person named, in the notification  
12 from the Department. The refund shall be paid by the State  
13 Treasurer out of the County Public Safety, Public Facilities,  
14 Mental Health, Substance Abuse, or Transportation Retailers'  
15 Occupation Fund or the Local Government Aviation Trust Fund,  
16 as appropriate.

17 Nothing in this subsection shall be construed to authorize  
18 the county to impose a tax upon the privilege of engaging in  
19 any business which under the Constitution of the United States  
20 may not be made the subject of taxation by the State.

21 (c) Except as otherwise provided in this paragraph, the  
22 Department shall immediately pay over to the State Treasurer,  
23 ex officio, as trustee, all taxes and penalties collected  
24 under this Section to be deposited into the County Public  
25 Safety, Public Facilities, Mental Health, Substance Abuse, or  
26 Transportation Retailers' Occupation Tax Fund, which shall be

1 an unappropriated trust fund held outside of the State  
2 treasury. Taxes and penalties collected on aviation fuel sold  
3 on or after December 1, 2019 and through December 31, 2020,  
4 shall be immediately paid over by the Department to the State  
5 Treasurer, ex officio, as trustee, for deposit into the Local  
6 Government Aviation Trust Fund. The Department shall only pay  
7 moneys into the Local Government Aviation Trust Fund under  
8 this Act for so long as the revenue use requirements of 49  
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

10 As soon as possible after the first day of each month,  
11 beginning January 1, 2011, upon certification of the  
12 Department of Revenue, the Comptroller shall order  
13 transferred, and the Treasurer shall transfer, to the STAR  
14 Bonds Revenue Fund the local sales tax increment, as defined  
15 in the Innovation Development and Economy Act, collected under  
16 this Section during the second preceding calendar month for  
17 sales within a STAR bond district.

18 After the monthly transfer to the STAR Bonds Revenue Fund,  
19 on or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to the counties from  
22 which retailers have paid taxes or penalties to the Department  
23 during the second preceding calendar month. The amount to be  
24 paid to each county, and deposited by the county into its  
25 special fund created for the purposes of this Section, shall  
26 be the amount (not including credit memoranda and not

1 including taxes and penalties collected on aviation fuel sold  
2 on or after December 1, 2019 and through December 31, 2020)  
3 collected under this Section during the second preceding  
4 calendar month by the Department plus an amount the Department  
5 determines is necessary to offset any amounts that were  
6 erroneously paid to a different taxing body, and not including  
7 (i) an amount equal to the amount of refunds made during the  
8 second preceding calendar month by the Department on behalf of  
9 the county, (ii) any amount that the Department determines is  
10 necessary to offset any amounts that were payable to a  
11 different taxing body but were erroneously paid to the county,  
12 (iii) any amounts that are transferred to the STAR Bonds  
13 Revenue Fund, and (iv) 1.5% of the remainder, which shall be  
14 transferred into the Tax Compliance and Administration Fund.  
15 The Department, at the time of each monthly disbursement to  
16 the counties, shall prepare and certify to the State  
17 Comptroller the amount to be transferred into the Tax  
18 Compliance and Administration Fund under this subsection.  
19 Within 10 days after receipt by the Comptroller of the  
20 disbursement certification to the counties and the Tax  
21 Compliance and Administration Fund provided for in this  
22 Section to be given to the Comptroller by the Department, the  
23 Comptroller shall cause the orders to be drawn for the  
24 respective amounts in accordance with directions contained in  
25 the certification.

26 In addition to the disbursement required by the preceding

1 paragraph, an allocation shall be made in March of each year to  
2 each county that received more than \$500,000 in disbursements  
3 under the preceding paragraph in the preceding calendar year.  
4 The allocation shall be in an amount equal to the average  
5 monthly distribution made to each such county under the  
6 preceding paragraph during the preceding calendar year  
7 (excluding the 2 months of highest receipts). The distribution  
8 made in March of each year subsequent to the year in which an  
9 allocation was made pursuant to this paragraph and the  
10 preceding paragraph shall be reduced by the amount allocated  
11 and disbursed under this paragraph in the preceding calendar  
12 year. The Department shall prepare and certify to the  
13 Comptroller for disbursement the allocations made in  
14 accordance with this paragraph.

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

24 (e) Nothing in this Section shall be construed to  
25 authorize a county to impose a tax upon the privilege of  
26 engaging in any business that under the Constitution of the



1 United States may not be made the subject of taxation by this  
2 State.

3 (e-5) If a county imposes a tax under this Section, the  
4 county board may, by ordinance, discontinue or lower the rate  
5 of the tax. If the county board lowers the tax rate or  
6 discontinues the tax, a referendum must be held in accordance  
7 with subsection (a) of this Section in order to increase the  
8 rate of the tax or to reimpose the discontinued tax.

9 (f) Beginning April 1, 1998 and through December 31, 2013,  
10 the results of any election authorizing a proposition to  
11 impose a tax under this Section or effecting a change in the  
12 rate of tax, or any ordinance lowering the rate or  
13 discontinuing the tax, shall be certified by the county clerk  
14 and filed with the Illinois Department of Revenue either (i)  
15 on or before the first day of April, whereupon the Department  
16 shall proceed to administer and enforce the tax as of the first  
17 day of July next following the filing; or (ii) on or before the  
18 first day of October, whereupon the Department shall proceed  
19 to administer and enforce the tax as of the first day of  
20 January next following the filing.

21 Beginning January 1, 2014, the results of any election  
22 authorizing a proposition to impose a tax under this Section  
23 or effecting an increase in the rate of tax, along with the  
24 ordinance adopted to impose the tax or increase the rate of the  
25 tax, or any ordinance adopted to lower the rate or discontinue  
26 the tax, shall be certified by the county clerk and filed with

1 the Illinois Department of Revenue either (i) on or before the  
2 first day of May, whereupon the Department shall proceed to  
3 administer and enforce the tax as of the first day of July next  
4 following the adoption and filing; or (ii) on or before the  
5 first day of October, whereupon the Department shall proceed  
6 to administer and enforce the tax as of the first day of  
7 January next following the adoption and filing.

8 (g) When certifying the amount of a monthly disbursement  
9 to a county under this Section, the Department shall increase  
10 or decrease the amounts by an amount necessary to offset any  
11 miscalculation of previous disbursements. The offset amount  
12 shall be the amount erroneously disbursed within the previous  
13 6 months from the time a miscalculation is discovered.

14 (g-5) Every county authorized to levy a tax under this  
15 Section shall, before it levies such tax, establish a 7-member  
16 mental health board, which shall have the same powers and  
17 duties and be constituted in the same manner as a community  
18 mental health board established under the Community Mental  
19 Health Act. Proceeds of the tax under this Section that are  
20 earmarked for mental health or substance abuse purposes shall  
21 be deposited into a special county occupation tax fund for  
22 mental health and substance abuse. The 7-member mental health  
23 board established under this subsection shall administer the  
24 special county occupation tax fund for mental health and  
25 substance abuse in the same manner as the community mental  
26 health board administers the community mental health fund

1 under the Community Mental Health Act.

2 (h) This Section may be cited as the "Special County  
3 Occupation Tax For Public Safety, Public Facilities, Mental  
4 Health, Substance Abuse, or Transportation Law".

5 (i) For purposes of this Section, "public safety"  
6 includes, but is not limited to, crime prevention, detention,  
7 fire fighting, police, medical, ambulance, or other emergency  
8 services. The county may share tax proceeds received under  
9 this Section for public safety purposes, including proceeds  
10 received before August 4, 2009 (the effective date of Public  
11 Act 96-124), with any fire protection district located in the  
12 county. For the purposes of this Section, "transportation"  
13 includes, but is not limited to, the construction,  
14 maintenance, operation, and improvement of public highways,  
15 any other purpose for which a county may expend funds under the  
16 Illinois Highway Code, and passenger rail transportation. For  
17 the purposes of this Section, "public facilities purposes"  
18 includes, but is not limited to, the acquisition, development,  
19 construction, reconstruction, rehabilitation, improvement,  
20 financing, architectural planning, and installation of capital  
21 facilities consisting of buildings, structures, and durable  
22 equipment and for the acquisition and improvement of real  
23 property and interest in real property required, or expected  
24 to be required, in connection with the public facilities, for  
25 use by the county for the furnishing of governmental services  
26 to its citizens, including, but not limited to, museums and

1 nursing homes.

2 (j) The Department may promulgate rules to implement  
3 Public Act 95-1002 only to the extent necessary to apply the  
4 existing rules for the Special County Retailers' Occupation  
5 Tax for Public Safety to this new purpose for public  
6 facilities.

7 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
8 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff.  
9 1-1-22.)

10 (55 ILCS 5/5-1006.7)

11 Sec. 5-1006.7. School facility and resources occupation  
12 taxes.

13 (a) In any county, a tax shall be imposed upon all persons  
14 engaged in the business of selling tangible personal property,  
15 other than personal property titled or registered with an  
16 agency of this State's government, at retail in the county on  
17 the gross receipts from the sales made in the course of  
18 business to provide revenue to be used exclusively for (i)  
19 school facility purposes (except as otherwise provided in this  
20 Section), (ii) school resource officers and mental health  
21 professionals, or (iii) school facility purposes, school  
22 resource officers, and mental health professionals if a  
23 proposition for the tax has been submitted to the electors of  
24 that county and approved by a majority of those voting on the  
25 question as provided in subsection (c). The tax under this

1 Section shall be imposed only in one-quarter percent  
2 increments and may not exceed 1%.

3 This additional tax may not be imposed on tangible  
4 personal property taxed at the 1% rate under the Retailers'  
5 Occupation Tax Act (or at the 0% rate imposed under this  
6 amendatory Act of the 102nd General Assembly). Beginning  
7 December 1, 2019 and through December 31, 2020, this tax is not  
8 imposed on sales of aviation fuel unless the tax revenue is  
9 expended for airport-related purposes. If the county does not  
10 have an airport-related purpose to which it dedicates aviation  
11 fuel tax revenue, then aviation fuel is excluded from the tax.  
12 The county must comply with the certification requirements for  
13 airport-related purposes under Section 2-22 of the Retailers'  
14 Occupation Tax Act. For purposes of this Section,  
15 "airport-related purposes" has the meaning ascribed in Section  
16 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
17 this tax is not imposed on sales of aviation fuel for so long  
18 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
19 U.S.C. 47133 are binding on the county. The Department of  
20 Revenue has full power to administer and enforce this  
21 subsection, to collect all taxes and penalties due under this  
22 subsection, to dispose of taxes and penalties so collected in  
23 the manner provided in this subsection, and to determine all  
24 rights to credit memoranda arising on account of the erroneous  
25 payment of a tax or penalty under this subsection. The  
26 Department shall deposit all taxes and penalties collected

1 under this subsection into a special fund created for that  
2 purpose.

3 In the administration of and compliance with this  
4 subsection, the Department and persons who are subject to this  
5 subsection (i) have the same rights, remedies, privileges,  
6 immunities, powers, and duties, (ii) are subject to the same  
7 conditions, restrictions, limitations, penalties, and  
8 definitions of terms, and (iii) shall employ the same modes of  
9 procedure as are set forth in Sections 1 through 1o, 2 through  
10 2-70 (in respect to all provisions contained in those Sections  
11 other than the State rate of tax), 2a through 2h, 3 (except as  
12 to the disposition of taxes and penalties collected, and  
13 except that the retailer's discount is not allowed for taxes  
14 paid on aviation fuel that are subject to the revenue use  
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
16 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
17 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
18 Occupation Tax Act and all provisions of the Uniform Penalty  
19 and Interest Act as if those provisions were set forth in this  
20 subsection.

21 The certificate of registration that is issued by the  
22 Department to a retailer under the Retailers' Occupation Tax  
23 Act permits the retailer to engage in a business that is  
24 taxable without registering separately with the Department  
25 under an ordinance or resolution under this subsection.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their  
2 seller's tax liability by separately stating that tax as an  
3 additional charge, which may be stated in combination, in a  
4 single amount, with State tax that sellers are required to  
5 collect under the Use Tax Act, pursuant to any bracketed  
6 schedules set forth by the Department.

7 (b) If a tax has been imposed under subsection (a), then a  
8 service occupation tax must also be imposed at the same rate  
9 upon all persons engaged, in the county, in the business of  
10 making sales of service, who, as an incident to making those  
11 sales of service, transfer tangible personal property within  
12 the county as an incident to a sale of service.

13 This tax may not be imposed on tangible personal property  
14 taxed at the 1% rate under the Service Occupation Tax Act (or  
15 at the 0% rate imposed under this amendatory Act of the 102nd  
16 General Assembly). Beginning December 1, 2019 and through  
17 December 31, 2020, this tax is not imposed on sales of aviation  
18 fuel unless the tax revenue is expended for airport-related  
19 purposes. If the county does not have an airport-related  
20 purpose to which it dedicates aviation fuel tax revenue, then  
21 aviation fuel is excluded from the tax. The county must comply  
22 with the certification requirements for airport-related  
23 purposes under Section 2-22 of the Retailers' Occupation Tax  
24 Act. For purposes of this Section, "airport-related purposes"  
25 has the meaning ascribed in Section 6z-20.2 of the State  
26 Finance Act. Beginning January 1, 2021, this tax is not

1 imposed on sales of aviation fuel for so long as the revenue  
2 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
3 binding on the county.

4 The tax imposed under this subsection and all civil  
5 penalties that may be assessed as an incident thereof shall be  
6 collected and enforced by the Department and deposited into a  
7 special fund created for that purpose. The Department has full  
8 power to administer and enforce this subsection, to collect  
9 all taxes and penalties due under this subsection, to dispose  
10 of taxes and penalties so collected in the manner provided in  
11 this subsection, and to determine all rights to credit  
12 memoranda arising on account of the erroneous payment of a tax  
13 or penalty under this subsection.

14 In the administration of and compliance with this  
15 subsection, the Department and persons who are subject to this  
16 subsection shall (i) have the same rights, remedies,  
17 privileges, immunities, powers and duties, (ii) be subject to  
18 the same conditions, restrictions, limitations, penalties and  
19 definition of terms, and (iii) employ the same modes of  
20 procedure as are set forth in Sections 2 (except that that  
21 reference to State in the definition of supplier maintaining a  
22 place of business in this State means the county), 2a through  
23 2d, 3 through 3-50 (in respect to all provisions contained in  
24 those Sections other than the State rate of tax), 4 (except  
25 that the reference to the State shall be to the county), 5, 7,  
26 8 (except that the jurisdiction to which the tax is a debt to



1 the extent indicated in that Section 8 is the county), 9  
2 (except as to the disposition of taxes and penalties  
3 collected, and except that the retailer's discount is not  
4 allowed for taxes paid on aviation fuel that are subject to the  
5 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
6 47133), 10, 11, 12 (except the reference therein to Section 2b  
7 of the Retailers' Occupation Tax Act), 13 (except that any  
8 reference to the State means the county), Section 15, 16, 17,  
9 18, 19, and 20 of the Service Occupation Tax Act and all  
10 provisions of the Uniform Penalty and Interest Act, as fully  
11 as if those provisions were set forth herein.

12 Persons subject to any tax imposed under the authority  
13 granted in this subsection may reimburse themselves for their  
14 serviceman's tax liability by separately stating the tax as an  
15 additional charge, which may be stated in combination, in a  
16 single amount, with State tax that servicemen are authorized  
17 to collect under the Service Use Tax Act, pursuant to any  
18 bracketed schedules set forth by the Department.

19 (c) The tax under this Section may not be imposed until the  
20 question of imposing the tax has been submitted to the  
21 electors of the county at a regular election and approved by a  
22 majority of the electors voting on the question. For all  
23 regular elections held prior to August 23, 2011 (the effective  
24 date of Public Act 97-542), upon a resolution by the county  
25 board or a resolution by school district boards that represent  
26 at least 51% of the student enrollment within the county, the

1 county board must certify the question to the proper election  
2 authority in accordance with the Election Code.

3 For all regular elections held prior to August 23, 2011  
4 (the effective date of Public Act 97-542), the election  
5 authority must submit the question in substantially the  
6 following form:

7 Shall (name of county) be authorized to impose a  
8 retailers' occupation tax and a service occupation tax  
9 (commonly referred to as a "sales tax") at a rate of  
10 (insert rate) to be used exclusively for school facility  
11 purposes?

12 The election authority must record the votes as "Yes" or  
13 "No".

14 If a majority of the electors voting on the question vote  
15 in the affirmative, then the county may, thereafter, impose  
16 the tax.

17 For all regular elections held on or after August 23, 2011  
18 (the effective date of Public Act 97-542), the regional  
19 superintendent of schools for the county must, upon receipt of  
20 a resolution or resolutions of school district boards that  
21 represent more than 50% of the student enrollment within the  
22 county, certify the question to the proper election authority  
23 for submission to the electors of the county at the next  
24 regular election at which the question lawfully may be  
25 submitted to the electors, all in accordance with the Election  
26 Code.

1 For all regular elections held on or after August 23, 2011  
2 (the effective date of Public Act 97-542) and before August  
3 23, 2019 (the effective date of Public Act 101-455), the  
4 election authority must submit the question in substantially  
5 the following form:

6 Shall a retailers' occupation tax and a service  
7 occupation tax (commonly referred to as a "sales tax") be  
8 imposed in (name of county) at a rate of (insert rate) to  
9 be used exclusively for school facility purposes?

10 The election authority must record the votes as "Yes" or  
11 "No".

12 If a majority of the electors voting on the question vote  
13 in the affirmative, then the tax shall be imposed at the rate  
14 set forth in the question.

15 For all regular elections held on or after August 23, 2019  
16 (the effective date of Public Act 101-455), the election  
17 authority must submit the question as follows:

18 (1) If the referendum is to expand the use of revenues  
19 from a currently imposed tax exclusively for school  
20 facility purposes to include school resource officers and  
21 mental health professionals, the question shall be in  
22 substantially the following form:

23 In addition to school facility purposes, shall  
24 (name of county) school districts be authorized to use  
25 revenues from the tax commonly referred to as the  
26 school facility sales tax that is currently imposed in

1 (name of county) at a rate of (insert rate) for school  
2 resource officers and mental health professionals?

3 (2) If the referendum is to increase the rate of a tax  
4 currently imposed exclusively for school facility purposes  
5 at less than 1% and dedicate the additional revenues for  
6 school resource officers and mental health professionals,  
7 the question shall be in substantially the following form:

8 Shall the tax commonly referred to as the school  
9 facility sales tax that is currently imposed in (name  
10 of county) at the rate of (insert rate) be increased to  
11 a rate of (insert rate) with the additional revenues  
12 used exclusively for school resource officers and  
13 mental health professionals?

14 (3) If the referendum is to impose a tax in a county  
15 that has not previously imposed a tax under this Section  
16 exclusively for school facility purposes, the question  
17 shall be in substantially the following form:

18 Shall a retailers' occupation tax and a service  
19 occupation tax (commonly referred to as a sales tax)  
20 be imposed in (name of county) at a rate of (insert  
21 rate) to be used exclusively for school facility  
22 purposes?

23 (4) If the referendum is to impose a tax in a county  
24 that has not previously imposed a tax under this Section  
25 exclusively for school resource officers and mental health  
26 professionals, the question shall be in substantially the

1 following form:

2 Shall a retailers' occupation tax and a service  
3 occupation tax (commonly referred to as a sales tax)  
4 be imposed in (name of county) at a rate of (insert  
5 rate) to be used exclusively for school resource  
6 officers and mental health professionals?

7 (5) If the referendum is to impose a tax in a county  
8 that has not previously imposed a tax under this Section  
9 exclusively for school facility purposes, school resource  
10 officers, and mental health professionals, the question  
11 shall be in substantially the following form:

12 Shall a retailers' occupation tax and a service  
13 occupation tax (commonly referred to as a sales tax)  
14 be imposed in (name of county) at a rate of (insert  
15 rate) to be used exclusively for school facility  
16 purposes, school resource officers, and mental health  
17 professionals?

18 The election authority must record the votes as "Yes" or  
19 "No".

20 If a majority of the electors voting on the question vote  
21 in the affirmative, then the tax shall be imposed at the rate  
22 set forth in the question.

23 For the purposes of this subsection (c), "enrollment"  
24 means the head count of the students residing in the county on  
25 the last school day of September of each year, which must be  
26 reported on the Illinois State Board of Education Public

1 School Fall Enrollment/Housing Report.

2 (d) Except as otherwise provided, the Department shall  
3 immediately pay over to the State Treasurer, ex officio, as  
4 trustee, all taxes and penalties collected under this Section  
5 to be deposited into the School Facility Occupation Tax Fund,  
6 which shall be an unappropriated trust fund held outside the  
7 State treasury. Taxes and penalties collected on aviation fuel  
8 sold on or after December 1, 2019 and through December 31,  
9 2020, shall be immediately paid over by the Department to the  
10 State Treasurer, ex officio, as trustee, for deposit into the  
11 Local Government Aviation Trust Fund. The Department shall  
12 only pay moneys into the Local Government Aviation Trust Fund  
13 under this Section for so long as the revenue use requirements  
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
15 county.

16 On or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to the regional  
19 superintendents of schools in counties from which retailers or  
20 servicemen have paid taxes or penalties to the Department  
21 during the second preceding calendar month. The amount to be  
22 paid to each regional superintendent of schools and disbursed  
23 to him or her in accordance with Section 3-14.31 of the School  
24 Code, is equal to the amount (not including credit memoranda  
25 and not including taxes and penalties collected on aviation  
26 fuel sold on or after December 1, 2019 and through December 31,

1 2020) collected from the county under this Section during the  
2 second preceding calendar month by the Department, (i) less 2%  
3 of that amount (except the amount collected on aviation fuel  
4 sold on or after December 1, 2019 and through December 31,  
5 2020), which shall be deposited into the Tax Compliance and  
6 Administration Fund and shall be used by the Department,  
7 subject to appropriation, to cover the costs of the Department  
8 in administering and enforcing the provisions of this Section,  
9 on behalf of the county, (ii) plus an amount that the  
10 Department determines is necessary to offset any amounts that  
11 were erroneously paid to a different taxing body; (iii) less  
12 an amount equal to the amount of refunds made during the second  
13 preceding calendar month by the Department on behalf of the  
14 county; and (iv) less any amount that the Department  
15 determines is necessary to offset any amounts that were  
16 payable to a different taxing body but were erroneously paid  
17 to the county. When certifying the amount of a monthly  
18 disbursement to a regional superintendent of schools under  
19 this Section, the Department shall increase or decrease the  
20 amounts by an amount necessary to offset any miscalculation of  
21 previous disbursements within the previous 6 months from the  
22 time a miscalculation is discovered.

23 Within 10 days after receipt by the Comptroller from the  
24 Department of the disbursement certification to the regional  
25 superintendents of the schools provided for in this Section,  
26 the Comptroller shall cause the orders to be drawn for the

1       respective amounts in accordance with directions contained in  
2       the certification.

3             If the Department determines that a refund should be made  
4       under this Section to a claimant instead of issuing a credit  
5       memorandum, then the Department shall notify the Comptroller,  
6       who shall cause the order to be drawn for the amount specified  
7       and to the person named in the notification from the  
8       Department. The refund shall be paid by the Treasurer out of  
9       the School Facility Occupation Tax Fund or the Local  
10       Government Aviation Trust Fund, as appropriate.

11            (e) For the purposes of determining the local governmental  
12       unit whose tax is applicable, a retail sale by a producer of  
13       coal or another mineral mined in Illinois is a sale at retail  
14       at the place where the coal or other mineral mined in Illinois  
15       is extracted from the earth. This subsection does not apply to  
16       coal or another mineral when it is delivered or shipped by the  
17       seller to the purchaser at a point outside Illinois so that the  
18       sale is exempt under the United States Constitution as a sale  
19       in interstate or foreign commerce.

20            (f) Nothing in this Section may be construed to authorize  
21       a tax to be imposed upon the privilege of engaging in any  
22       business that under the Constitution of the United States may  
23       not be made the subject of taxation by this State.

24            (g) If a county board imposes a tax under this Section  
25       pursuant to a referendum held before August 23, 2011 (the  
26       effective date of Public Act 97-542) at a rate below the rate



1 set forth in the question approved by a majority of electors of  
2 that county voting on the question as provided in subsection  
3 (c), then the county board may, by ordinance, increase the  
4 rate of the tax up to the rate set forth in the question  
5 approved by a majority of electors of that county voting on the  
6 question as provided in subsection (c). If a county board  
7 imposes a tax under this Section pursuant to a referendum held  
8 before August 23, 2011 (the effective date of Public Act  
9 97-542), then the board may, by ordinance, discontinue or  
10 reduce the rate of the tax. If a tax is imposed under this  
11 Section pursuant to a referendum held on or after August 23,  
12 2011 (the effective date of Public Act 97-542) and before  
13 August 23, 2019 (the effective date of Public Act 101-455),  
14 then the county board may reduce or discontinue the tax, but  
15 only in accordance with subsection (h-5) of this Section. If a  
16 tax is imposed under this Section pursuant to a referendum  
17 held on or after August 23, 2019 (the effective date of Public  
18 Act 101-455), then the county board may reduce or discontinue  
19 the tax, but only in accordance with subsection (h-10). If,  
20 however, a school board issues bonds that are secured by the  
21 proceeds of the tax under this Section, then the county board  
22 may not reduce the tax rate or discontinue the tax if that rate  
23 reduction or discontinuance would adversely affect the school  
24 board's ability to pay the principal and interest on those  
25 bonds as they become due or necessitate the extension of  
26 additional property taxes to pay the principal and interest on

1 those bonds. If the county board reduces the tax rate or  
2 discontinues the tax, then a referendum must be held in  
3 accordance with subsection (c) of this Section in order to  
4 increase the rate of the tax or to reimpose the discontinued  
5 tax.

6       Until January 1, 2014, the results of any election that  
7 imposes, reduces, or discontinues a tax under this Section  
8 must be certified by the election authority, and any ordinance  
9 that increases or lowers the rate or discontinues the tax must  
10 be certified by the county clerk and, in each case, filed with  
11 the Illinois Department of Revenue either (i) on or before the  
12 first day of April, whereupon the Department shall proceed to  
13 administer and enforce the tax or change in the rate as of the  
14 first day of July next following the filing; or (ii) on or  
15 before the first day of October, whereupon the Department  
16 shall proceed to administer and enforce the tax or change in  
17 the rate as of the first day of January next following the  
18 filing.

19       Beginning January 1, 2014, the results of any election  
20 that imposes, reduces, or discontinues a tax under this  
21 Section must be certified by the election authority, and any  
22 ordinance that increases or lowers the rate or discontinues  
23 the tax must be certified by the county clerk and, in each  
24 case, filed with the Illinois Department of Revenue either (i)  
25 on or before the first day of May, whereupon the Department  
26 shall proceed to administer and enforce the tax or change in

1 the rate as of the first day of July next following the filing;  
2 or (ii) on or before the first day of October, whereupon the  
3 Department shall proceed to administer and enforce the tax or  
4 change in the rate as of the first day of January next  
5 following the filing.

6 (h) For purposes of this Section, "school facility  
7 purposes" means (i) the acquisition, development,  
8 construction, reconstruction, rehabilitation, improvement,  
9 financing, architectural planning, and installation of capital  
10 facilities consisting of buildings, structures, and durable  
11 equipment and for the acquisition and improvement of real  
12 property and interest in real property required, or expected  
13 to be required, in connection with the capital facilities and  
14 (ii) the payment of bonds or other obligations heretofore or  
15 hereafter issued, including bonds or other obligations  
16 heretofore or hereafter issued to refund or to continue to  
17 refund bonds or other obligations issued, for school facility  
18 purposes, provided that the taxes levied to pay those bonds  
19 are abated by the amount of the taxes imposed under this  
20 Section that are used to pay those bonds. "School facility  
21 purposes" also includes fire prevention, safety, energy  
22 conservation, accessibility, school security, and specified  
23 repair purposes set forth under Section 17-2.11 of the School  
24 Code.

25 (h-5) A county board in a county where a tax has been  
26 imposed under this Section pursuant to a referendum held on or

1 after August 23, 2011 (the effective date of Public Act  
2 97-542) and before August 23, 2019 (the effective date of  
3 Public Act 101-455) may, by ordinance or resolution, submit to  
4 the voters of the county the question of reducing or  
5 discontinuing the tax. In the ordinance or resolution, the  
6 county board shall certify the question to the proper election  
7 authority in accordance with the Election Code. The election  
8 authority must submit the question in substantially the  
9 following form:

10            Shall the school facility retailers' occupation tax  
11            and service occupation tax (commonly referred to as the  
12            "school facility sales tax") currently imposed in (name of  
13            county) at a rate of (insert rate) be (reduced to (insert  
14            rate)) (discontinued)?

15 If a majority of the electors voting on the question vote in  
16 the affirmative, then, subject to the provisions of subsection  
17 (g) of this Section, the tax shall be reduced or discontinued  
18 as set forth in the question.

19            (h-10) A county board in a county where a tax has been  
20            imposed under this Section pursuant to a referendum held on or  
21            after August 23, 2019 (the effective date of Public Act  
22            101-455) may, by ordinance or resolution, submit to the voters  
23            of the county the question of reducing or discontinuing the  
24            tax. In the ordinance or resolution, the county board shall  
25            certify the question to the proper election authority in  
26            accordance with the Election Code. The election authority must

1 submit the question in substantially the following form:

2           Shall the school facility and resources retailers'  
3           occupation tax and service occupation tax (commonly  
4           referred to as the school facility and resources sales  
5           tax) currently imposed in (name of county) at a rate of  
6           (insert rate) be (reduced to (insert rate))  
7           (discontinued)?

8           The election authority must record the votes as "Yes" or  
9           "No".

10           If a majority of the electors voting on the question vote  
11           in the affirmative, then, subject to the provisions of  
12           subsection (g) of this Section, the tax shall be reduced or  
13           discontinued as set forth in the question.

14           (i) This Section does not apply to Cook County.

15           (j) This Section may be cited as the County School  
16           Facility and Resources Occupation Tax Law.

17           (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
18           101-455, eff. 8-23-19; 101-604, eff. 12-13-19.)

19           (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

20           Sec. 5-1007. Home Rule County Service Occupation Tax Law.  
21           The corporate authorities of a home rule county may impose a  
22           tax upon all persons engaged, in such county, in the business  
23           of making sales of service at the same rate of tax imposed  
24           pursuant to Section 5-1006 of the selling price of all  
25           tangible personal property transferred by such servicemen

1 either in the form of tangible personal property or in the form  
2 of real estate as an incident to a sale of service. If imposed,  
3 such tax shall only be imposed in 1/4% increments. On and after  
4 September 1, 1991, this additional tax may not be imposed on  
5 tangible personal property taxed at the 1% rate under the  
6 Service Occupation Tax Act (or at the 0% rate imposed under  
7 this amendatory Act of the 102nd General Assembly). Beginning  
8 December 1, 2019, this tax is not imposed on sales of aviation  
9 fuel unless the tax revenue is expended for airport-related  
10 purposes. If the county does not have an airport-related  
11 purpose to which it dedicates aviation fuel tax revenue, then  
12 aviation fuel is excluded from the tax. The county must comply  
13 with the certification requirements for airport-related  
14 purposes under Section 2-22 of the Retailers' Occupation Tax  
15 Act. For purposes of this Section, "airport-related purposes"  
16 has the meaning ascribed in Section 6z-20.2 of the State  
17 Finance Act. This exclusion for aviation fuel only applies for  
18 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
19 and 49 U.S.C. 47133 are binding on the county. The changes made  
20 to this Section by this amendatory Act of the 101st General  
21 Assembly are a denial and limitation of home rule powers and  
22 functions under subsection (g) of Section 6 of Article VII of  
23 the Illinois Constitution. The tax imposed by a home rule  
24 county pursuant to this Section and all civil penalties that  
25 may be assessed as an incident thereof shall be collected and  
26 enforced by the State Department of Revenue. The certificate

1 of registration which is issued by the Department to a  
2 retailer under the Retailers' Occupation Tax Act or under the  
3 Service Occupation Tax Act shall permit such registrant to  
4 engage in a business which is taxable under any ordinance or  
5 resolution enacted pursuant to this Section without  
6 registering separately with the Department under such  
7 ordinance or resolution or under this Section. The Department  
8 shall have full power to administer and enforce this Section;  
9 to collect all taxes and penalties due hereunder; to dispose  
10 of taxes and penalties so collected in the manner hereinafter  
11 provided; and to determine all rights to credit memoranda  
12 arising on account of the erroneous payment of tax or penalty  
13 hereunder. In the administration of, and compliance with, this  
14 Section the Department and persons who are subject to this  
15 Section shall have the same rights, remedies, privileges,  
16 immunities, powers and duties, and be subject to the same  
17 conditions, restrictions, limitations, penalties and  
18 definitions of terms, and employ the same modes of procedure,  
19 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
20 respect to all provisions therein other than the State rate of  
21 tax), 4 (except that the reference to the State shall be to the  
22 taxing county), 5, 7, 8 (except that the jurisdiction to which  
23 the tax shall be a debt to the extent indicated in that Section  
24 8 shall be the taxing county), 9 (except as to the disposition  
25 of taxes and penalties collected, and except that the returned  
26 merchandise credit for this county tax may not be taken

1 against any State tax, and except that the retailer's discount  
2 is not allowed for taxes paid on aviation fuel that are subject  
3 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
4 U.S.C. 47133), 10, 11, 12 (except the reference therein to  
5 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
6 that any reference to the State shall mean the taxing county),  
7 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the  
8 Service Occupation Tax Act and Section 3-7 of the Uniform  
9 Penalty and Interest Act, as fully as if those provisions were  
10 set forth herein.

11 No tax may be imposed by a home rule county pursuant to  
12 this Section unless such county also imposes a tax at the same  
13 rate pursuant to Section 5-1006.

14 Persons subject to any tax imposed pursuant to the  
15 authority granted in this Section may reimburse themselves for  
16 their serviceman's tax liability hereunder by separately  
17 stating such tax as an additional charge, which charge may be  
18 stated in combination, in a single amount, with State tax  
19 which servicemen are authorized to collect under the Service  
20 Use Tax Act, pursuant to such bracket schedules as the  
21 Department may prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this Section to a claimant instead of issuing  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the order to be drawn for the  
26 amount specified, and to the person named, in such



1 notification from the Department. Such refund shall be paid by  
2 the State Treasurer out of the home rule county retailers'  
3 occupation tax fund or the Local Government Aviation Trust  
4 Fund, as appropriate.

5 Except as otherwise provided in this paragraph, the  
6 Department shall forthwith pay over to the State Treasurer, ex  
7 officio, as trustee, all taxes and penalties collected  
8 hereunder for deposit into the Home Rule County Retailers'  
9 Occupation Tax Fund. Taxes and penalties collected on aviation  
10 fuel sold on or after December 1, 2019, shall be immediately  
11 paid over by the Department to the State Treasurer, ex  
12 officio, as trustee, for deposit into the Local Government  
13 Aviation Trust Fund. The Department shall only pay moneys into  
14 the Local Government Aviation Trust Fund under this Section  
15 for so long as the revenue use requirements of 49 U.S.C.  
16 47107(b) and 49 U.S.C. 47133 are binding on the county.

17 As soon as possible after the first day of each month,  
18 beginning January 1, 2011, upon certification of the  
19 Department of Revenue, the Comptroller shall order  
20 transferred, and the Treasurer shall transfer, to the STAR  
21 Bonds Revenue Fund the local sales tax increment, as defined  
22 in the Innovation Development and Economy Act, collected under  
23 this Section during the second preceding calendar month for  
24 sales within a STAR bond district.

25 After the monthly transfer to the STAR Bonds Revenue Fund,  
26 on or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the  
2 disbursement of stated sums of money to named counties, the  
3 counties to be those from which suppliers and servicemen have  
4 paid taxes or penalties hereunder to the Department during the  
5 second preceding calendar month. The amount to be paid to each  
6 county shall be the amount (not including credit memoranda and  
7 not including taxes and penalties collected on aviation fuel  
8 sold on or after December 1, 2019) collected hereunder during  
9 the second preceding calendar month by the Department, and not  
10 including an amount equal to the amount of refunds made during  
11 the second preceding calendar month by the Department on  
12 behalf of such county, and not including any amounts that are  
13 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
14 remainder, which the Department shall transfer into the Tax  
15 Compliance and Administration Fund. The Department, at the  
16 time of each monthly disbursement to the counties, shall  
17 prepare and certify to the State Comptroller the amount to be  
18 transferred into the Tax Compliance and Administration Fund  
19 under this Section. Within 10 days after receipt, by the  
20 Comptroller, of the disbursement certification to the counties  
21 and the Tax Compliance and Administration Fund provided for in  
22 this Section to be given to the Comptroller by the Department,  
23 the Comptroller shall cause the orders to be drawn for the  
24 respective amounts in accordance with the directions contained  
25 in such certification.

26 In addition to the disbursement required by the preceding

1 paragraph, an allocation shall be made in each year to each  
2 county which received more than \$500,000 in disbursements  
3 under the preceding paragraph in the preceding calendar year.  
4 The allocation shall be in an amount equal to the average  
5 monthly distribution made to each such county under the  
6 preceding paragraph during the preceding calendar year  
7 (excluding the 2 months of highest receipts). The distribution  
8 made in March of each year subsequent to the year in which an  
9 allocation was made pursuant to this paragraph and the  
10 preceding paragraph shall be reduced by the amount allocated  
11 and disbursed under this paragraph in the preceding calendar  
12 year. The Department shall prepare and certify to the  
13 Comptroller for disbursement the allocations made in  
14 accordance with this paragraph.

15 Nothing in this Section shall be construed to authorize a  
16 county to impose a tax upon the privilege of engaging in any  
17 business which under the Constitution of the United States may  
18 not be made the subject of taxation by this State.

19 An ordinance or resolution imposing or discontinuing a tax  
20 hereunder or effecting a change in the rate thereof shall be  
21 adopted and a certified copy thereof filed with the Department  
22 on or before the first day of June, whereupon the Department  
23 shall proceed to administer and enforce this Section as of the  
24 first day of September next following such adoption and  
25 filing. Beginning January 1, 1992, an ordinance or resolution  
26 imposing or discontinuing the tax hereunder or effecting a

1 change in the rate thereof shall be adopted and a certified  
2 copy thereof filed with the Department on or before the first  
3 day of July, whereupon the Department shall proceed to  
4 administer and enforce this Section as of the first day of  
5 October next following such adoption and filing. Beginning  
6 January 1, 1993, an ordinance or resolution imposing or  
7 discontinuing the tax hereunder or effecting a change in the  
8 rate thereof shall be adopted and a certified copy thereof  
9 filed with the Department on or before the first day of  
10 October, whereupon the Department shall proceed to administer  
11 and enforce this Section as of the first day of January next  
12 following such adoption and filing. Beginning April 1, 1998,  
13 an ordinance or resolution imposing or discontinuing the tax  
14 hereunder or effecting a change in the rate thereof shall  
15 either (i) be adopted and a certified copy thereof filed with  
16 the Department on or before the first day of April, whereupon  
17 the Department shall proceed to administer and enforce this  
18 Section as of the first day of July next following the adoption  
19 and filing; or (ii) be adopted and a certified copy thereof  
20 filed with the Department on or before the first day of  
21 October, whereupon the Department shall proceed to administer  
22 and enforce this Section as of the first day of January next  
23 following the adoption and filing.

24 This Section shall be known and may be cited as the Home  
25 Rule County Service Occupation Tax Law.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;

1 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
2 7-12-19; 101-604, eff. 12-13-19.)

3 Section 60-45. The Illinois Municipal Code is amended by  
4 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,  
5 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

6 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

7 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
8 Act. The corporate authorities of a home rule municipality may  
9 impose a tax upon all persons engaged in the business of  
10 selling tangible personal property, other than an item of  
11 tangible personal property titled or registered with an agency  
12 of this State's government, at retail in the municipality on  
13 the gross receipts from these sales made in the course of such  
14 business. If imposed, the tax shall only be imposed in 1/4%  
15 increments. On and after September 1, 1991, this additional  
16 tax may not be imposed on tangible personal property taxed at  
17 the 1% rate under the Retailers' Occupation Tax Act (or at the  
18 0% rate imposed under this amendatory Act of the 102nd General  
19 Assembly). Beginning December 1, 2019, this tax is not imposed  
20 on sales of aviation fuel unless the tax revenue is expended  
21 for airport-related purposes. If a municipality does not have  
22 an airport-related purpose to which it dedicates aviation fuel  
23 tax revenue, then aviation fuel is excluded from the tax. Each  
24 municipality must comply with the certification requirements

1 for airport-related purposes under Section 2-22 of the  
2 Retailers' Occupation Tax Act. For purposes of this Section,  
3 "airport-related purposes" has the meaning ascribed in Section  
4 6z-20.2 of the State Finance Act. This exclusion for aviation  
5 fuel only applies for so long as the revenue use requirements  
6 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
7 municipality. The changes made to this Section by this  
8 amendatory Act of the 101st General Assembly are a denial and  
9 limitation of home rule powers and functions under subsection  
10 (g) of Section 6 of Article VII of the Illinois Constitution.  
11 The tax imposed by a home rule municipality under this Section  
12 and all civil penalties that may be assessed as an incident of  
13 the tax shall be collected and enforced by the State  
14 Department of Revenue. The certificate of registration that is  
15 issued by the Department to a retailer under the Retailers'  
16 Occupation Tax Act shall permit the retailer to engage in a  
17 business that is taxable under any ordinance or resolution  
18 enacted pursuant to this Section without registering  
19 separately with the Department under such ordinance or  
20 resolution or under this Section. The Department shall have  
21 full power to administer and enforce this Section; to collect  
22 all taxes and penalties due hereunder; to dispose of taxes and  
23 penalties so collected in the manner hereinafter provided; and  
24 to determine all rights to credit memoranda arising on account  
25 of the erroneous payment of tax or penalty hereunder. In the  
26 administration of, and compliance with, this Section the

1 Department and persons who are subject to this Section shall  
2 have the same rights, remedies, privileges, immunities, powers  
3 and duties, and be subject to the same conditions,  
4 restrictions, limitations, penalties and definitions of terms,  
5 and employ the same modes of procedure, as are prescribed in  
6 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65  
7 (in respect to all provisions therein other than the State  
8 rate of tax), 2c, 3 (except as to the disposition of taxes and  
9 penalties collected, and except that the retailer's discount  
10 is not allowed for taxes paid on aviation fuel that are subject  
11 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
12 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
13 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
14 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
15 Penalty and Interest Act, as fully as if those provisions were  
16 set forth herein.

17 No tax may be imposed by a home rule municipality under  
18 this Section unless the municipality also imposes a tax at the  
19 same rate under Section 8-11-5 of this Act.

20 Persons subject to any tax imposed under the authority  
21 granted in this Section may reimburse themselves for their  
22 seller's tax liability hereunder by separately stating that  
23 tax as an additional charge, which charge may be stated in  
24 combination, in a single amount, with State tax which sellers  
25 are required to collect under the Use Tax Act, pursuant to such  
26 bracket schedules as the Department may prescribe.

1           Whenever the Department determines that a refund should be  
2 made under this Section to a claimant instead of issuing a  
3 credit memorandum, the Department shall notify the State  
4 Comptroller, who shall cause the order to be drawn for the  
5 amount specified and to the person named in the notification  
6 from the Department. The refund shall be paid by the State  
7 Treasurer out of the home rule municipal retailers' occupation  
8 tax fund or the Local Government Aviation Trust Fund, as  
9 appropriate.

10           Except as otherwise provided in this paragraph, the  
11 Department shall immediately pay over to the State Treasurer,  
12 ex officio, as trustee, all taxes and penalties collected  
13 hereunder for deposit into the Home Rule Municipal Retailers'  
14 Occupation Tax Fund. Taxes and penalties collected on aviation  
15 fuel sold on or after December 1, 2019, shall be immediately  
16 paid over by the Department to the State Treasurer, ex  
17 officio, as trustee, for deposit into the Local Government  
18 Aviation Trust Fund. The Department shall only pay moneys into  
19 the Local Government Aviation Trust Fund under this Section  
20 for so long as the revenue use requirements of 49 U.S.C.  
21 47107(b) and 49 U.S.C. 47133 are binding on the State.

22           As soon as possible after the first day of each month,  
23 beginning January 1, 2011, upon certification of the  
24 Department of Revenue, the Comptroller shall order  
25 transferred, and the Treasurer shall transfer, to the STAR  
26 Bonds Revenue Fund the local sales tax increment, as defined



1 in the Innovation Development and Economy Act, collected under  
2 this Section during the second preceding calendar month for  
3 sales within a STAR bond district.

4 After the monthly transfer to the STAR Bonds Revenue Fund,  
5 on or before the 25th day of each calendar month, the  
6 Department shall prepare and certify to the Comptroller the  
7 disbursement of stated sums of money to named municipalities,  
8 the municipalities to be those from which retailers have paid  
9 taxes or penalties hereunder to the Department during the  
10 second preceding calendar month. The amount to be paid to each  
11 municipality shall be the amount (not including credit  
12 memoranda and not including taxes and penalties collected on  
13 aviation fuel sold on or after December 1, 2019) collected  
14 hereunder during the second preceding calendar month by the  
15 Department plus an amount the Department determines is  
16 necessary to offset any amounts that were erroneously paid to  
17 a different taxing body, and not including an amount equal to  
18 the amount of refunds made during the second preceding  
19 calendar month by the Department on behalf of such  
20 municipality, and not including any amount that the Department  
21 determines is necessary to offset any amounts that were  
22 payable to a different taxing body but were erroneously paid  
23 to the municipality, and not including any amounts that are  
24 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
25 remainder, which the Department shall transfer into the Tax  
26 Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the municipalities, shall  
2 prepare and certify to the State Comptroller the amount to be  
3 transferred into the Tax Compliance and Administration Fund  
4 under this Section. Within 10 days after receipt by the  
5 Comptroller of the disbursement certification to the  
6 municipalities and the Tax Compliance and Administration Fund  
7 provided for in this Section to be given to the Comptroller by  
8 the Department, the Comptroller shall cause the orders to be  
9 drawn for the respective amounts in accordance with the  
10 directions contained in the certification.

11 In addition to the disbursement required by the preceding  
12 paragraph and in order to mitigate delays caused by  
13 distribution procedures, an allocation shall, if requested, be  
14 made within 10 days after January 14, 1991, and in November of  
15 1991 and each year thereafter, to each municipality that  
16 received more than \$500,000 during the preceding fiscal year,  
17 (July 1 through June 30) whether collected by the municipality  
18 or disbursed by the Department as required by this Section.  
19 Within 10 days after January 14, 1991, participating  
20 municipalities shall notify the Department in writing of their  
21 intent to participate. In addition, for the initial  
22 distribution, participating municipalities shall certify to  
23 the Department the amounts collected by the municipality for  
24 each month under its home rule occupation and service  
25 occupation tax during the period July 1, 1989 through June 30,  
26 1990. The allocation within 10 days after January 14, 1991,

1 shall be in an amount equal to the monthly average of these  
2 amounts, excluding the 2 months of highest receipts. The  
3 monthly average for the period of July 1, 1990 through June 30,  
4 1991 will be determined as follows: the amounts collected by  
5 the municipality under its home rule occupation and service  
6 occupation tax during the period of July 1, 1990 through  
7 September 30, 1990, plus amounts collected by the Department  
8 and paid to such municipality through June 30, 1991, excluding  
9 the 2 months of highest receipts. The monthly average for each  
10 subsequent period of July 1 through June 30 shall be an amount  
11 equal to the monthly distribution made to each such  
12 municipality under the preceding paragraph during this period,  
13 excluding the 2 months of highest receipts. The distribution  
14 made in November 1991 and each year thereafter under this  
15 paragraph and the preceding paragraph shall be reduced by the  
16 amount allocated and disbursed under this paragraph in the  
17 preceding period of July 1 through June 30. The Department  
18 shall prepare and certify to the Comptroller for disbursement  
19 the allocations made in accordance with this paragraph.

20 For the purpose of determining the local governmental unit  
21 whose tax is applicable, a retail sale by a producer of coal or  
22 other mineral mined in Illinois is a sale at retail at the  
23 place where the coal or other mineral mined in Illinois is  
24 extracted from the earth. This paragraph does not apply to  
25 coal or other mineral when it is delivered or shipped by the  
26 seller to the purchaser at a point outside Illinois so that the

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

3 Nothing in this Section shall be construed to authorize a  
4 municipality to impose a tax upon the privilege of engaging in  
5 any business which under the Constitution of the United States  
6 may not be made the subject of taxation by this State.

7 An ordinance or resolution imposing or discontinuing a tax  
8 hereunder or effecting a change in the rate thereof shall be  
9 adopted and a certified copy thereof filed with the Department  
10 on or before the first day of June, whereupon the Department  
11 shall proceed to administer and enforce this Section as of the  
12 first day of September next following the adoption and filing.  
13 Beginning January 1, 1992, an ordinance or resolution imposing  
14 or discontinuing the tax hereunder or effecting a change in  
15 the rate thereof shall be adopted and a certified copy thereof  
16 filed with the Department on or before the first day of July,  
17 whereupon the Department shall proceed to administer and  
18 enforce this Section as of the first day of October next  
19 following such adoption and filing. Beginning January 1, 1993,  
20 an ordinance or resolution imposing or discontinuing the tax  
21 hereunder or effecting a change in the rate thereof shall be  
22 adopted and a certified copy thereof filed with the Department  
23 on or before the first day of October, whereupon the  
24 Department shall proceed to administer and enforce this  
25 Section as of the first day of January next following the  
26 adoption and filing. However, a municipality located in a

1 county with a population in excess of 3,000,000 that elected  
2 to become a home rule unit at the general primary election in  
3 1994 may adopt an ordinance or resolution imposing the tax  
4 under this Section and file a certified copy of the ordinance  
5 or resolution with the Department on or before July 1, 1994.  
6 The Department shall then proceed to administer and enforce  
7 this Section as of October 1, 1994. Beginning April 1, 1998, an  
8 ordinance or resolution imposing or discontinuing the tax  
9 hereunder or effecting a change in the rate thereof shall  
10 either (i) be adopted and a certified copy thereof filed with  
11 the Department on or before the first day of April, whereupon  
12 the Department shall proceed to administer and enforce this  
13 Section as of the first day of July next following the adoption  
14 and filing; or (ii) be adopted and a certified copy thereof  
15 filed with the Department on or before the first day of  
16 October, whereupon the Department shall proceed to administer  
17 and enforce this Section as of the first day of January next  
18 following the adoption and filing.

19 When certifying the amount of a monthly disbursement to a  
20 municipality under this Section, the Department shall increase  
21 or decrease the amount by an amount necessary to offset any  
22 misallocation of previous disbursements. The offset amount  
23 shall be the amount erroneously disbursed within the previous  
24 6 months from the time a misallocation is discovered.

25 Any unobligated balance remaining in the Municipal  
26 Retailers' Occupation Tax Fund on December 31, 1989, which

1 fund was abolished by Public Act 85-1135, and all receipts of  
2 municipal tax as a result of audits of liability periods prior  
3 to January 1, 1990, shall be paid into the Local Government Tax  
4 Fund for distribution as provided by this Section prior to the  
5 enactment of Public Act 85-1135. All receipts of municipal tax  
6 as a result of an assessment not arising from an audit, for  
7 liability periods prior to January 1, 1990, shall be paid into  
8 the Local Government Tax Fund for distribution before July 1,  
9 1990, as provided by this Section prior to the enactment of  
10 Public Act 85-1135; and on and after July 1, 1990, all such  
11 receipts shall be distributed as provided in Section 6z-18 of  
12 the State Finance Act.

13 As used in this Section, "municipal" and "municipality"  
14 means a city, village or incorporated town, including an  
15 incorporated town that has superseded a civil township.

16 This Section shall be known and may be cited as the Home  
17 Rule Municipal Retailers' Occupation Tax Act.

18 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
19 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
20 7-12-19; 101-604, eff. 12-13-19.)

21 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

22 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
23 Occupation Tax Act. The corporate authorities of a non-home  
24 rule municipality may impose a tax upon all persons engaged in  
25 the business of selling tangible personal property, other than

1 on an item of tangible personal property which is titled and  
2 registered by an agency of this State's Government, at retail  
3 in the municipality for expenditure on public infrastructure  
4 or for property tax relief or both as defined in Section  
5 8-11-1.2 if approved by referendum as provided in Section  
6 8-11-1.1, of the gross receipts from such sales made in the  
7 course of such business. If the tax is approved by referendum  
8 on or after July 14, 2010 (the effective date of Public Act  
9 96-1057), the corporate authorities of a non-home rule  
10 municipality may, until July 1, 2030, use the proceeds of the  
11 tax for expenditure on municipal operations, in addition to or  
12 in lieu of any expenditure on public infrastructure or for  
13 property tax relief. The tax imposed may not be more than 1%  
14 and may be imposed only in 1/4% increments. The tax may not be  
15 imposed on tangible personal property taxed at the 1% rate  
16 under the Retailers' Occupation Tax Act (or at the 0% rate  
17 imposed under this amendatory Act of the 102nd General  
18 Assembly). Beginning December 1, 2019, this tax is not imposed  
19 on sales of aviation fuel unless the tax revenue is expended  
20 for airport-related purposes. If a municipality does not have  
21 an airport-related purpose to which it dedicates aviation fuel  
22 tax revenue, then aviation fuel is excluded from the tax. Each  
23 municipality must comply with the certification requirements  
24 for airport-related purposes under Section 2-22 of the  
25 Retailers' Occupation Tax Act. For purposes of this Section,  
26 "airport-related purposes" has the meaning ascribed in Section

1 6z-20.2 of the State Finance Act. This exclusion for aviation  
2 fuel only applies for so long as the revenue use requirements  
3 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
4 municipality. The tax imposed by a municipality pursuant to  
5 this Section and all civil penalties that may be assessed as an  
6 incident thereof shall be collected and enforced by the State  
7 Department of Revenue. The certificate of registration which  
8 is issued by the Department to a retailer under the Retailers'  
9 Occupation Tax Act shall permit such retailer to engage in a  
10 business which is taxable under any ordinance or resolution  
11 enacted pursuant to this Section without registering  
12 separately with the Department under such ordinance or  
13 resolution or under this Section. The Department shall have  
14 full power to administer and enforce this Section; to collect  
15 all taxes and penalties due hereunder; to dispose of taxes and  
16 penalties so collected in the manner hereinafter provided, and  
17 to determine all rights to credit memoranda, arising on  
18 account of the erroneous payment of tax or penalty hereunder.  
19 In the administration of, and compliance with, this Section,  
20 the Department and persons who are subject to this Section  
21 shall have the same rights, remedies, privileges, immunities,  
22 powers and duties, and be subject to the same conditions,  
23 restrictions, limitations, penalties and definitions of terms,  
24 and employ the same modes of procedure, as are prescribed in  
25 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in  
26 respect to all provisions therein other than the State rate of



1 tax), 2c, 3 (except as to the disposition of taxes and  
2 penalties collected, and except that the retailer's discount  
3 is not allowed for taxes paid on aviation fuel that are subject  
4 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
5 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
6 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
7 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
8 Penalty and Interest Act as fully as if those provisions were  
9 set forth herein.

10 No municipality may impose a tax under this Section unless  
11 the municipality also imposes a tax at the same rate under  
12 Section 8-11-1.4 of this Code.

13 Persons subject to any tax imposed pursuant to the  
14 authority granted in this Section may reimburse themselves for  
15 their seller's tax liability hereunder by separately stating  
16 such tax as an additional charge, which charge may be stated in  
17 combination, in a single amount, with State tax which sellers  
18 are required to collect under the Use Tax Act, pursuant to such  
19 bracket schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this Section to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the order to be drawn for the  
24 amount specified, and to the person named, in such  
25 notification from the Department. Such refund shall be paid by  
26 the State Treasurer out of the non-home rule municipal

1 retailers' occupation tax fund or the Local Government  
2 Aviation Trust Fund, as appropriate.

3 Except as otherwise provided, the Department shall  
4 forthwith pay over to the State Treasurer, ex officio, as  
5 trustee, all taxes and penalties collected hereunder for  
6 deposit into the Non-Home Rule Municipal Retailers' Occupation  
7 Tax Fund. Taxes and penalties collected on aviation fuel sold  
8 on or after December 1, 2019, shall be immediately paid over by  
9 the Department to the State Treasurer, ex officio, as trustee,  
10 for deposit into the Local Government Aviation Trust Fund. The  
11 Department shall only pay moneys into the Local Government  
12 Aviation Trust Fund under this Section for so long as the  
13 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
14 47133 are binding on the municipality.

15 As soon as possible after the first day of each month,  
16 beginning January 1, 2011, upon certification of the  
17 Department of Revenue, the Comptroller shall order  
18 transferred, and the Treasurer shall transfer, to the STAR  
19 Bonds Revenue Fund the local sales tax increment, as defined  
20 in the Innovation Development and Economy Act, collected under  
21 this Section during the second preceding calendar month for  
22 sales within a STAR bond district.

23 After the monthly transfer to the STAR Bonds Revenue Fund,  
24 on or before the 25th day of each calendar month, the  
25 Department shall prepare and certify to the Comptroller the  
26 disbursement of stated sums of money to named municipalities,

1 the municipalities to be those from which retailers have paid  
2 taxes or penalties hereunder to the Department during the  
3 second preceding calendar month. The amount to be paid to each  
4 municipality shall be the amount (not including credit  
5 memoranda and not including taxes and penalties collected on  
6 aviation fuel sold on or after December 1, 2019) collected  
7 hereunder during the second preceding calendar month by the  
8 Department plus an amount the Department determines is  
9 necessary to offset any amounts which were erroneously paid to  
10 a different taxing body, and not including an amount equal to  
11 the amount of refunds made during the second preceding  
12 calendar month by the Department on behalf of such  
13 municipality, and not including any amount which the  
14 Department determines is necessary to offset any amounts which  
15 were payable to a different taxing body but were erroneously  
16 paid to the municipality, and not including any amounts that  
17 are transferred to the STAR Bonds Revenue Fund, less 1.5% of  
18 the remainder, which the Department shall transfer into the  
19 Tax Compliance and Administration Fund. The Department, at the  
20 time of each monthly disbursement to the municipalities, shall  
21 prepare and certify to the State Comptroller the amount to be  
22 transferred into the Tax Compliance and Administration Fund  
23 under this Section. Within 10 days after receipt, by the  
24 Comptroller, of the disbursement certification to the  
25 municipalities and the Tax Compliance and Administration Fund  
26 provided for in this Section to be given to the Comptroller by

1 the Department, the Comptroller shall cause the orders to be  
2 drawn for the respective amounts in accordance with the  
3 directions contained in such certification.

4 For the purpose of determining the local governmental unit  
5 whose tax is applicable, a retail sale, by a producer of coal  
6 or other mineral mined in Illinois, is a sale at retail at the  
7 place where the coal or other mineral mined in Illinois is  
8 extracted from the earth. This paragraph does not apply to  
9 coal or other mineral when it is delivered or shipped by the  
10 seller to the purchaser at a point outside Illinois so that the  
11 sale is exempt under the Federal Constitution as a sale in  
12 interstate or foreign commerce.

13 Nothing in this Section shall be construed to authorize a  
14 municipality to impose a tax upon the privilege of engaging in  
15 any business which under the constitution of the United States  
16 may not be made the subject of taxation by this State.

17 When certifying the amount of a monthly disbursement to a  
18 municipality under this Section, the Department shall increase  
19 or decrease such amount by an amount necessary to offset any  
20 misallocation of previous disbursements. The offset amount  
21 shall be the amount erroneously disbursed within the previous  
22 6 months from the time a misallocation is discovered.

23 The Department of Revenue shall implement Public Act  
24 91-649 so as to collect the tax on and after January 1, 2002.

25 As used in this Section, "municipal" and "municipality"  
26 mean a city, village, or incorporated town, including an

1 incorporated town which has superseded a civil township.

2 This Section shall be known and may be cited as the  
3 Non-Home Rule Municipal Retailers' Occupation Tax Act.

4 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
5 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff.  
6 1-1-20; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

7 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

8 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
9 Tax Act. The corporate authorities of a non-home rule  
10 municipality may impose a tax upon all persons engaged, in  
11 such municipality, in the business of making sales of service  
12 for expenditure on public infrastructure or for property tax  
13 relief or both as defined in Section 8-11-1.2 if approved by  
14 referendum as provided in Section 8-11-1.1, of the selling  
15 price of all tangible personal property transferred by such  
16 servicemen either in the form of tangible personal property or  
17 in the form of real estate as an incident to a sale of service.  
18 If the tax is approved by referendum on or after July 14, 2010  
19 (the effective date of Public Act 96-1057), the corporate  
20 authorities of a non-home rule municipality may, until  
21 December 31, 2020, use the proceeds of the tax for expenditure  
22 on municipal operations, in addition to or in lieu of any  
23 expenditure on public infrastructure or for property tax  
24 relief. The tax imposed may not be more than 1% and may be  
25 imposed only in 1/4% increments. The tax may not be imposed on

1 tangible personal property taxed at the 1% rate under the  
2 Service Occupation Tax Act (or at the 0% rate imposed under  
3 this amendatory Act of the 102nd General Assembly). Beginning  
4 December 1, 2019, this tax is not imposed on sales of aviation  
5 fuel unless the tax revenue is expended for airport-related  
6 purposes. If a municipality does not have an airport-related  
7 purpose to which it dedicates aviation fuel tax revenue, then  
8 aviation fuel is excluded from the tax. Each municipality must  
9 comply with the certification requirements for airport-related  
10 purposes under Section 2-22 of the Retailers' Occupation Tax  
11 Act. For purposes of this Section, "airport-related purposes"  
12 has the meaning ascribed in Section 6z-20.2 of the State  
13 Finance Act. This exclusion for aviation fuel only applies for  
14 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
15 and 49 U.S.C. 47133 are binding on the municipality. The tax  
16 imposed by a municipality pursuant to this Section and all  
17 civil penalties that may be assessed as an incident thereof  
18 shall be collected and enforced by the State Department of  
19 Revenue. The certificate of registration which is issued by  
20 the Department to a retailer under the Retailers' Occupation  
21 Tax Act or under the Service Occupation Tax Act shall permit  
22 such registrant to engage in a business which is taxable under  
23 any ordinance or resolution enacted pursuant to this Section  
24 without registering separately with the Department under such  
25 ordinance or resolution or under this Section. The Department  
26 shall have full power to administer and enforce this Section;

1 to collect all taxes and penalties due hereunder; to dispose  
2 of taxes and penalties so collected in the manner hereinafter  
3 provided, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of tax or penalty  
5 hereunder. In the administration of, and compliance with, this  
6 Section the Department and persons who are subject to this  
7 Section shall have the same rights, remedies, privileges,  
8 immunities, powers and duties, and be subject to the same  
9 conditions, restrictions, limitations, penalties and  
10 definitions of terms, and employ the same modes of procedure,  
11 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
12 respect to all provisions therein other than the State rate of  
13 tax), 4 (except that the reference to the State shall be to the  
14 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
15 which the tax shall be a debt to the extent indicated in that  
16 Section 8 shall be the taxing municipality), 9 (except as to  
17 the disposition of taxes and penalties collected, and except  
18 that the returned merchandise credit for this municipal tax  
19 may not be taken against any State tax, and except that the  
20 retailer's discount is not allowed for taxes paid on aviation  
21 fuel that are subject to the revenue use requirements of 49  
22 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
23 reference therein to Section 2b of the Retailers' Occupation  
24 Tax Act), 13 (except that any reference to the State shall mean  
25 the taxing municipality), the first paragraph of Section 15,  
26 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and

1 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
2 as if those provisions were set forth herein.

3 No municipality may impose a tax under this Section unless  
4 the municipality also imposes a tax at the same rate under  
5 Section 8-11-1.3 of this Code.

6 Persons subject to any tax imposed pursuant to the  
7 authority granted in this Section may reimburse themselves for  
8 their serviceman's tax liability hereunder by separately  
9 stating such tax as an additional charge, which charge may be  
10 stated in combination, in a single amount, with State tax  
11 which servicemen are authorized to collect under the Service  
12 Use Tax Act, pursuant to such bracket schedules as the  
13 Department may prescribe.

14 Whenever the Department determines that a refund should be  
15 made under this Section to a claimant instead of issuing  
16 credit memorandum, the Department shall notify the State  
17 Comptroller, who shall cause the order to be drawn for the  
18 amount specified, and to the person named, in such  
19 notification from the Department. Such refund shall be paid by  
20 the State Treasurer out of the municipal retailers' occupation  
21 tax fund or the Local Government Aviation Trust Fund, as  
22 appropriate.

23 Except as otherwise provided in this paragraph, the  
24 Department shall forthwith pay over to the State Treasurer, ex  
25 officio, as trustee, all taxes and penalties collected  
26 hereunder for deposit into the municipal retailers' occupation



1 tax fund. Taxes and penalties collected on aviation fuel sold  
2 on or after December 1, 2019, shall be immediately paid over by  
3 the Department to the State Treasurer, ex officio, as trustee,  
4 for deposit into the Local Government Aviation Trust Fund. The  
5 Department shall only pay moneys into the Local Government  
6 Aviation Trust Fund under this Section for so long as the  
7 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
8 47133 are binding on the municipality.

9 As soon as possible after the first day of each month,  
10 beginning January 1, 2011, upon certification of the  
11 Department of Revenue, the Comptroller shall order  
12 transferred, and the Treasurer shall transfer, to the STAR  
13 Bonds Revenue Fund the local sales tax increment, as defined  
14 in the Innovation Development and Economy Act, collected under  
15 this Section during the second preceding calendar month for  
16 sales within a STAR bond district.

17 After the monthly transfer to the STAR Bonds Revenue Fund,  
18 on or before the 25th day of each calendar month, the  
19 Department shall prepare and certify to the Comptroller the  
20 disbursement of stated sums of money to named municipalities,  
21 the municipalities to be those from which suppliers and  
22 servicemen have paid taxes or penalties hereunder to the  
23 Department during the second preceding calendar month. The  
24 amount to be paid to each municipality shall be the amount (not  
25 including credit memoranda and not including taxes and  
26 penalties collected on aviation fuel sold on or after December

1 1, 2019) collected hereunder during the second preceding  
2 calendar month by the Department, and not including an amount  
3 equal to the amount of refunds made during the second  
4 preceding calendar month by the Department on behalf of such  
5 municipality, and not including any amounts that are  
6 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
7 remainder, which the Department shall transfer into the Tax  
8 Compliance and Administration Fund. The Department, at the  
9 time of each monthly disbursement to the municipalities, shall  
10 prepare and certify to the State Comptroller the amount to be  
11 transferred into the Tax Compliance and Administration Fund  
12 under this Section. Within 10 days after receipt, by the  
13 Comptroller, of the disbursement certification to the  
14 municipalities, the General Revenue Fund, and the Tax  
15 Compliance and Administration Fund provided for in this  
16 Section to be given to the Comptroller by the Department, the  
17 Comptroller shall cause the orders to be drawn for the  
18 respective amounts in accordance with the directions contained  
19 in such certification.

20 The Department of Revenue shall implement Public Act  
21 91-649 so as to collect the tax on and after January 1, 2002.

22 Nothing in this Section shall be construed to authorize a  
23 municipality to impose a tax upon the privilege of engaging in  
24 any business which under the constitution of the United States  
25 may not be made the subject of taxation by this State.

26 As used in this Section, "municipal" or "municipality"

1 means or refers to a city, village or incorporated town,  
2 including an incorporated town which has superseded a civil  
3 township.

4 This Section shall be known and may be cited as the  
5 "Non-Home Rule Municipal Service Occupation Tax Act".

6 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
7 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
8 7-12-19; 101-604, eff. 12-13-19.)

9 (65 ILCS 5/8-11-1.6)

10 Sec. 8-11-1.6. Non-home rule municipal retailers'  
11 occupation tax; municipalities between 20,000 and 25,000. The  
12 corporate authorities of a non-home rule municipality with a  
13 population of more than 20,000 but less than 25,000 that has,  
14 prior to January 1, 1987, established a Redevelopment Project  
15 Area that has been certified as a State Sales Tax Boundary and  
16 has issued bonds or otherwise incurred indebtedness to pay for  
17 costs in excess of \$5,000,000, which is secured in part by a  
18 tax increment allocation fund, in accordance with the  
19 provisions of Division 11-74.4 of this Code may, by passage of  
20 an ordinance, impose a tax upon all persons engaged in the  
21 business of selling tangible personal property, other than on  
22 an item of tangible personal property that is titled and  
23 registered by an agency of this State's Government, at retail  
24 in the municipality. This tax may not be imposed on tangible  
25 personal property taxed at the 1% rate under the Retailers'

1 Occupation Tax Act (or at the 0% rate imposed under this  
2 amendatory Act of the 102nd General Assembly). Beginning  
3 December 1, 2019, this tax is not imposed on sales of aviation  
4 fuel unless the tax revenue is expended for airport-related  
5 purposes. If a municipality does not have an airport-related  
6 purpose to which it dedicates aviation fuel tax revenue, then  
7 aviation fuel is excluded from the tax. Each municipality must  
8 comply with the certification requirements for airport-related  
9 purposes under Section 2-22 of the Retailers' Occupation Tax  
10 Act. For purposes of this Section, "airport-related purposes"  
11 has the meaning ascribed in Section 6z-20.2 of the State  
12 Finance Act. This exclusion for aviation fuel only applies for  
13 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
14 and 49 U.S.C. 47133 are binding on the municipality. If  
15 imposed, the tax shall only be imposed in .25% increments of  
16 the gross receipts from such sales made in the course of  
17 business. Any tax imposed by a municipality under this Section  
18 and all civil penalties that may be assessed as an incident  
19 thereof shall be collected and enforced by the State  
20 Department of Revenue. An ordinance imposing a tax hereunder  
21 or effecting a change in the rate thereof shall be adopted and  
22 a certified copy thereof filed with the Department on or  
23 before the first day of October, whereupon the Department  
24 shall proceed to administer and enforce this Section as of the  
25 first day of January next following such adoption and filing.  
26 The certificate of registration that is issued by the

1 Department to a retailer under the Retailers' Occupation Tax  
2 Act shall permit the retailer to engage in a business that is  
3 taxable under any ordinance or resolution enacted under this  
4 Section without registering separately with the Department  
5 under the ordinance or resolution or under this Section. The  
6 Department shall have full power to administer and enforce  
7 this Section, to collect all taxes and penalties due  
8 hereunder, to dispose of taxes and penalties so collected in  
9 the manner hereinafter provided, and to determine all rights  
10 to credit memoranda, arising on account of the erroneous  
11 payment of tax or penalty hereunder. In the administration of,  
12 and compliance with this Section, the Department and persons  
13 who are subject to this Section shall have the same rights,  
14 remedies, privileges, immunities, powers, and duties, and be  
15 subject to the same conditions, restrictions, limitations,  
16 penalties, and definitions of terms, and employ the same modes  
17 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
18 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
19 therein other than the State rate of tax), 2c, 3 (except as to  
20 the disposition of taxes and penalties collected, and except  
21 that the retailer's discount is not allowed for taxes paid on  
22 aviation fuel that are subject to the revenue use requirements  
23 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
24 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
25 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
26 Section 3-7 of the Uniform Penalty and Interest Act as fully as

1 if those provisions were set forth herein.

2 A tax may not be imposed by a municipality under this  
3 Section unless the municipality also imposes a tax at the same  
4 rate under Section 8-11-1.7 of this Act.

5 Persons subject to any tax imposed under the authority  
6 granted in this Section may reimburse themselves for their  
7 seller's tax liability hereunder by separately stating the tax  
8 as an additional charge, which charge may be stated in  
9 combination, in a single amount, with State tax which sellers  
10 are required to collect under the Use Tax Act, pursuant to such  
11 bracket schedules as the Department may prescribe.

12 Whenever the Department determines that a refund should be  
13 made under this Section to a claimant, instead of issuing a  
14 credit memorandum, the Department shall notify the State  
15 Comptroller, who shall cause the order to be drawn for the  
16 amount specified, and to the person named in the notification  
17 from the Department. The refund shall be paid by the State  
18 Treasurer out of the Non-Home Rule Municipal Retailers'  
19 Occupation Tax Fund, which is hereby created or the Local  
20 Government Aviation Trust Fund, as appropriate.

21 Except as otherwise provided in this paragraph, the  
22 Department shall forthwith pay over to the State Treasurer, ex  
23 officio, as trustee, all taxes and penalties collected  
24 hereunder for deposit into the Non-Home Rule Municipal  
25 Retailers' Occupation Tax Fund. Taxes and penalties collected  
26 on aviation fuel sold on or after December 1, 2019, shall be

1 immediately paid over by the Department to the State  
2 Treasurer, ex officio, as trustee, for deposit into the Local  
3 Government Aviation Trust Fund. The Department shall only pay  
4 moneys into the Local Government Aviation Trust Fund under  
5 this Section for so long as the revenue use requirements of 49  
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
7 municipality.

8 As soon as possible after the first day of each month,  
9 beginning January 1, 2011, upon certification of the  
10 Department of Revenue, the Comptroller shall order  
11 transferred, and the Treasurer shall transfer, to the STAR  
12 Bonds Revenue Fund the local sales tax increment, as defined  
13 in the Innovation Development and Economy Act, collected under  
14 this Section during the second preceding calendar month for  
15 sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,  
17 on or before the 25th day of each calendar month, the  
18 Department shall prepare and certify to the Comptroller the  
19 disbursement of stated sums of money to named municipalities,  
20 the municipalities to be those from which retailers have paid  
21 taxes or penalties hereunder to the Department during the  
22 second preceding calendar month. The amount to be paid to each  
23 municipality shall be the amount (not including credit  
24 memoranda and not including taxes and penalties collected on  
25 aviation fuel sold on or after December 1, 2019) collected  
26 hereunder during the second preceding calendar month by the

1 Department plus an amount the Department determines is  
2 necessary to offset any amounts that were erroneously paid to  
3 a different taxing body, and not including an amount equal to  
4 the amount of refunds made during the second preceding  
5 calendar month by the Department on behalf of the  
6 municipality, and not including any amount that the Department  
7 determines is necessary to offset any amounts that were  
8 payable to a different taxing body but were erroneously paid  
9 to the municipality, and not including any amounts that are  
10 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
11 remainder, which the Department shall transfer into the Tax  
12 Compliance and Administration Fund. The Department, at the  
13 time of each monthly disbursement to the municipalities, shall  
14 prepare and certify to the State Comptroller the amount to be  
15 transferred into the Tax Compliance and Administration Fund  
16 under this Section. Within 10 days after receipt by the  
17 Comptroller of the disbursement certification to the  
18 municipalities and the Tax Compliance and Administration Fund  
19 provided for in this Section to be given to the Comptroller by  
20 the Department, the Comptroller shall cause the orders to be  
21 drawn for the respective amounts in accordance with the  
22 directions contained in the certification.

23 For the purpose of determining the local governmental unit  
24 whose tax is applicable, a retail sale by a producer of coal or  
25 other mineral mined in Illinois is a sale at retail at the  
26 place where the coal or other mineral mined in Illinois is



1 extracted from the earth. This paragraph does not apply to  
2 coal or other mineral when it is delivered or shipped by the  
3 seller to the purchaser at a point outside Illinois so that the  
4 sale is exempt under the federal Constitution as a sale in  
5 interstate or foreign commerce.

6 Nothing in this Section shall be construed to authorize a  
7 municipality to impose a tax upon the privilege of engaging in  
8 any business which under the constitution of the United States  
9 may not be made the subject of taxation by this State.

10 When certifying the amount of a monthly disbursement to a  
11 municipality under this Section, the Department shall increase  
12 or decrease the amount by an amount necessary to offset any  
13 misallocation of previous disbursements. The offset amount  
14 shall be the amount erroneously disbursed within the previous  
15 6 months from the time a misallocation is discovered.

16 As used in this Section, "municipal" and "municipality"  
17 means a city, village, or incorporated town, including an  
18 incorporated town that has superseded a civil township.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
20 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.  
21 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

22 (65 ILCS 5/8-11-1.7)

23 Sec. 8-11-1.7. Non-home rule municipal service occupation  
24 tax; municipalities between 20,000 and 25,000. The corporate  
25 authorities of a non-home rule municipality with a population

1 of more than 20,000 but less than 25,000 as determined by the  
2 last preceding decennial census that has, prior to January 1,  
3 1987, established a Redevelopment Project Area that has been  
4 certified as a State Sales Tax Boundary and has issued bonds or  
5 otherwise incurred indebtedness to pay for costs in excess of  
6 \$5,000,000, which is secured in part by a tax increment  
7 allocation fund, in accordance with the provisions of Division  
8 11-74.4 of this Code may, by passage of an ordinance, impose a  
9 tax upon all persons engaged in the municipality in the  
10 business of making sales of service. If imposed, the tax shall  
11 only be imposed in .25% increments of the selling price of all  
12 tangible personal property transferred by such servicemen  
13 either in the form of tangible personal property or in the form  
14 of real estate as an incident to a sale of service. This tax  
15 may not be imposed on tangible personal property taxed at the  
16 1% rate under the Service Occupation Tax Act (or at the 0% rate  
17 imposed under this amendatory Act of the 102nd General  
18 Assembly). Beginning December 1, 2019, this tax is not imposed  
19 on sales of aviation fuel unless the tax revenue is expended  
20 for airport-related purposes. If a municipality does not have  
21 an airport-related purpose to which it dedicates aviation fuel  
22 tax revenue, then aviation fuel is excluded from the tax. Each  
23 municipality must comply with the certification requirements  
24 for airport-related purposes under Section 2-22 of the  
25 Retailers' Occupation Tax Act. For purposes of this Section,  
26 "airport-related purposes" has the meaning ascribed in Section

1 6z-20.2 of the State Finance Act. This exclusion for aviation  
2 fuel only applies for so long as the revenue use requirements  
3 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
4 municipality. The tax imposed by a municipality under this  
5 Section and all civil penalties that may be assessed as an  
6 incident thereof shall be collected and enforced by the State  
7 Department of Revenue. An ordinance imposing a tax hereunder  
8 or effecting a change in the rate thereof shall be adopted and  
9 a certified copy thereof filed with the Department on or  
10 before the first day of October, whereupon the Department  
11 shall proceed to administer and enforce this Section as of the  
12 first day of January next following such adoption and filing.  
13 The certificate of registration that is issued by the  
14 Department to a retailer under the Retailers' Occupation Tax  
15 Act or under the Service Occupation Tax Act shall permit the  
16 registrant to engage in a business that is taxable under any  
17 ordinance or resolution enacted under this Section without  
18 registering separately with the Department under the ordinance  
19 or resolution or under this Section. The Department shall have  
20 full power to administer and enforce this Section, to collect  
21 all taxes and penalties due hereunder, to dispose of taxes and  
22 penalties so collected in a manner hereinafter provided, and  
23 to determine all rights to credit memoranda arising on account  
24 of the erroneous payment of tax or penalty hereunder. In the  
25 administration of and compliance with this Section, the  
26 Department and persons who are subject to this Section shall

1 have the same rights, remedies, privileges, immunities,  
2 powers, and duties, and be subject to the same conditions,  
3 restrictions, limitations, penalties and definitions of terms,  
4 and employ the same modes of procedure, as are prescribed in  
5 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
6 provisions therein other than the State rate of tax), 4  
7 (except that the reference to the State shall be to the taxing  
8 municipality), 5, 7, 8 (except that the jurisdiction to which  
9 the tax shall be a debt to the extent indicated in that Section  
10 8 shall be the taxing municipality), 9 (except as to the  
11 disposition of taxes and penalties collected, and except that  
12 the returned merchandise credit for this municipal tax may not  
13 be taken against any State tax, and except that the retailer's  
14 discount is not allowed for taxes paid on aviation fuel that  
15 are subject to the revenue use requirements of 49 U.S.C.  
16 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the  
17 reference therein to Section 2b of the Retailers' Occupation  
18 Tax Act), 13 (except that any reference to the State shall mean  
19 the taxing municipality), the first paragraph of Sections 15,  
20 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and  
21 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
22 as if those provisions were set forth herein.

23 A tax may not be imposed by a municipality under this  
24 Section unless the municipality also imposes a tax at the same  
25 rate under Section 8-11-1.6 of this Act.

26 Person subject to any tax imposed under the authority

1 granted in this Section may reimburse themselves for their  
2 servicemen's tax liability hereunder by separately stating the  
3 tax as an additional charge, which charge may be stated in  
4 combination, in a single amount, with State tax that  
5 servicemen are authorized to collect under the Service Use Tax  
6 Act, under such bracket schedules as the Department may  
7 prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified, and to the person named, in such  
13 notification from the Department. The refund shall be paid by  
14 the State Treasurer out of the Non-Home Rule Municipal  
15 Retailers' Occupation Tax Fund or the Local Government  
16 Aviation Trust Fund, as appropriate.

17 Except as otherwise provided in this paragraph, the  
18 Department shall forthwith pay over to the State Treasurer, ex  
19 officio, as trustee, all taxes and penalties collected  
20 hereunder for deposit into the Non-Home Rule Municipal  
21 Retailers' Occupation Tax Fund. Taxes and penalties collected  
22 on aviation fuel sold on or after December 1, 2019, shall be  
23 immediately paid over by the Department to the State  
24 Treasurer, ex officio, as trustee, for deposit into the Local  
25 Government Aviation Trust Fund. The Department shall only pay  
26 moneys into the Local Government Aviation Trust Fund under

1 this Section for so long as the revenue use requirements of 49  
2 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
3 Municipality.

4 As soon as possible after the first day of each month,  
5 beginning January 1, 2011, upon certification of the  
6 Department of Revenue, the Comptroller shall order  
7 transferred, and the Treasurer shall transfer, to the STAR  
8 Bonds Revenue Fund the local sales tax increment, as defined  
9 in the Innovation Development and Economy Act, collected under  
10 this Section during the second preceding calendar month for  
11 sales within a STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,  
13 on or before the 25th day of each calendar month, the  
14 Department shall prepare and certify to the Comptroller the  
15 disbursement of stated sums of money to named municipalities,  
16 the municipalities to be those from which suppliers and  
17 servicemen have paid taxes or penalties hereunder to the  
18 Department during the second preceding calendar month. The  
19 amount to be paid to each municipality shall be the amount (not  
20 including credit memoranda and not including taxes and  
21 penalties collected on aviation fuel sold on or after December  
22 1, 2019) collected hereunder during the second preceding  
23 calendar month by the Department, and not including an amount  
24 equal to the amount of refunds made during the second  
25 preceding calendar month by the Department on behalf of such  
26 municipality, and not including any amounts that are

1 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
2 remainder, which the Department shall transfer into the Tax  
3 Compliance and Administration Fund. The Department, at the  
4 time of each monthly disbursement to the municipalities, shall  
5 prepare and certify to the State Comptroller the amount to be  
6 transferred into the Tax Compliance and Administration Fund  
7 under this Section. Within 10 days after receipt by the  
8 Comptroller of the disbursement certification to the  
9 municipalities, the Tax Compliance and Administration Fund,  
10 and the General Revenue Fund, provided for in this Section to  
11 be given to the Comptroller by the Department, the Comptroller  
12 shall cause the orders to be drawn for the respective amounts  
13 in accordance with the directions contained in the  
14 certification.

15 When certifying the amount of a monthly disbursement to a  
16 municipality under this Section, the Department shall increase  
17 or decrease the amount by an amount necessary to offset any  
18 misallocation of previous disbursements. The offset amount  
19 shall be the amount erroneously disbursed within the previous  
20 6 months from the time a misallocation is discovered.

21 Nothing in this Section shall be construed to authorize a  
22 municipality to impose a tax upon the privilege of engaging in  
23 any business which under the constitution of the United States  
24 may not be made the subject of taxation by this State.

25 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
26 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.

1 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

2 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

3 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax  
4 Act. The corporate authorities of a home rule municipality may  
5 impose a tax upon all persons engaged, in such municipality,  
6 in the business of making sales of service at the same rate of  
7 tax imposed pursuant to Section 8-11-1, of the selling price  
8 of all tangible personal property transferred by such  
9 servicemen either in the form of tangible personal property or  
10 in the form of real estate as an incident to a sale of service.  
11 If imposed, such tax shall only be imposed in 1/4% increments.  
12 On and after September 1, 1991, this additional tax may not be  
13 imposed on tangible personal property taxed at the 1% rate  
14 under the Service Retailers' Occupation Tax Act (or at the 0%  
15 rate imposed under this amendatory Act of the 102nd General  
16 Assembly). Beginning December 1, 2019, this tax may not be  
17 imposed on sales of aviation fuel unless the tax revenue is  
18 expended for airport-related purposes. If a municipality does  
19 not have an airport-related purpose to which it dedicates  
20 aviation fuel tax revenue, then aviation fuel shall be  
21 excluded from tax. Each municipality must comply with the  
22 certification requirements for airport-related purposes under  
23 Section 2-22 of the Retailers' Occupation Tax Act. For  
24 purposes of this Section, "airport-related purposes" has the  
25 meaning ascribed in Section 6z-20.2 of the State Finance Act.



1 This exception for aviation fuel only applies for so long as  
2 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
3 U.S.C. 47133 are binding on the State. The changes made to this  
4 Section by this amendatory Act of the 101st General Assembly  
5 are a denial and limitation of home rule powers and functions  
6 under subsection (g) of Section 6 of Article VII of the  
7 Illinois Constitution. The tax imposed by a home rule  
8 municipality pursuant to this Section and all civil penalties  
9 that may be assessed as an incident thereof shall be collected  
10 and enforced by the State Department of Revenue. The  
11 certificate of registration which is issued by the Department  
12 to a retailer under the Retailers' Occupation Tax Act or under  
13 the Service Occupation Tax Act shall permit such registrant to  
14 engage in a business which is taxable under any ordinance or  
15 resolution enacted pursuant to this Section without  
16 registering separately with the Department under such  
17 ordinance or resolution or under this Section. The Department  
18 shall have full power to administer and enforce this Section;  
19 to collect all taxes and penalties due hereunder; to dispose  
20 of taxes and penalties so collected in the manner hereinafter  
21 provided, and to determine all rights to credit memoranda  
22 arising on account of the erroneous payment of tax or penalty  
23 hereunder. In the administration of, and compliance with, this  
24 Section the Department and persons who are subject to this  
25 Section shall have the same rights, remedies, privileges,  
26 immunities, powers and duties, and be subject to the same

1 conditions, restrictions, limitations, penalties and  
2 definitions of terms, and employ the same modes of procedure,  
3 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
4 respect to all provisions therein other than the State rate of  
5 tax), 4 (except that the reference to the State shall be to the  
6 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
7 which the tax shall be a debt to the extent indicated in that  
8 Section 8 shall be the taxing municipality), 9 (except as to  
9 the disposition of taxes and penalties collected, and except  
10 that the returned merchandise credit for this municipal tax  
11 may not be taken against any State tax, and except that the  
12 retailer's discount is not allowed for taxes paid on aviation  
13 fuel that are subject to the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
15 reference therein to Section 2b of the Retailers' Occupation  
16 Tax Act), 13 (except that any reference to the State shall mean  
17 the taxing municipality), the first paragraph of Section 15,  
18 16, 17 (except that credit memoranda issued hereunder may not  
19 be used to discharge any State tax liability), 18, 19 and 20 of  
20 the Service Occupation Tax Act and Section 3-7 of the Uniform  
21 Penalty and Interest Act, as fully as if those provisions were  
22 set forth herein.

23 No tax may be imposed by a home rule municipality pursuant  
24 to this Section unless such municipality also imposes a tax at  
25 the same rate pursuant to Section 8-11-1 of this Act.

26 Persons subject to any tax imposed pursuant to the

1 authority granted in this Section may reimburse themselves for  
2 their serviceman's tax liability hereunder by separately  
3 stating such tax as an additional charge, which charge may be  
4 stated in combination, in a single amount, with State tax  
5 which servicemen are authorized to collect under the Service  
6 Use Tax Act, pursuant to such bracket schedules as the  
7 Department may prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified, and to the person named, in such  
13 notification from the Department. Such refund shall be paid by  
14 the State Treasurer out of the home rule municipal retailers'  
15 occupation tax fund or the Local Government Aviation Trust  
16 Fund, as appropriate.

17 Except as otherwise provided in this paragraph, the  
18 Department shall forthwith pay over to the State Treasurer, ex  
19 officio, as trustee, all taxes and penalties collected  
20 hereunder for deposit into the Home Rule Municipal Retailers'  
21 Occupation Tax Fund. Taxes and penalties collected on aviation  
22 fuel sold on or after December 1, 2019, shall be immediately  
23 paid over by the Department to the State Treasurer, ex  
24 officio, as trustee, for deposit into the Local Government  
25 Aviation Trust Fund. The Department shall only pay moneys into  
26 the Local Government Aviation Trust Fund under this Section

1 for so long as the revenue use requirements of 49 U.S.C.  
2 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

3 As soon as possible after the first day of each month,  
4 beginning January 1, 2011, upon certification of the  
5 Department of Revenue, the Comptroller shall order  
6 transferred, and the Treasurer shall transfer, to the STAR  
7 Bonds Revenue Fund the local sales tax increment, as defined  
8 in the Innovation Development and Economy Act, collected under  
9 this Section during the second preceding calendar month for  
10 sales within a STAR bond district.

11 After the monthly transfer to the STAR Bonds Revenue Fund,  
12 on or before the 25th day of each calendar month, the  
13 Department shall prepare and certify to the Comptroller the  
14 disbursement of stated sums of money to named municipalities,  
15 the municipalities to be those from which suppliers and  
16 servicemen have paid taxes or penalties hereunder to the  
17 Department during the second preceding calendar month. The  
18 amount to be paid to each municipality shall be the amount (not  
19 including credit memoranda and not including taxes and  
20 penalties collected on aviation fuel sold on or after December  
21 1, 2019) collected hereunder during the second preceding  
22 calendar month by the Department, and not including an amount  
23 equal to the amount of refunds made during the second  
24 preceding calendar month by the Department on behalf of such  
25 municipality, and not including any amounts that are  
26 transferred to the STAR Bonds Revenue Fund, less 1.5% of the

1 remainder, which the Department shall transfer into the Tax  
2 Compliance and Administration Fund. The Department, at the  
3 time of each monthly disbursement to the municipalities, shall  
4 prepare and certify to the State Comptroller the amount to be  
5 transferred into the Tax Compliance and Administration Fund  
6 under this Section. Within 10 days after receipt, by the  
7 Comptroller, of the disbursement certification to the  
8 municipalities and the Tax Compliance and Administration Fund  
9 provided for in this Section to be given to the Comptroller by  
10 the Department, the Comptroller shall cause the orders to be  
11 drawn for the respective amounts in accordance with the  
12 directions contained in such certification.

13 In addition to the disbursement required by the preceding  
14 paragraph and in order to mitigate delays caused by  
15 distribution procedures, an allocation shall, if requested, be  
16 made within 10 days after January 14, 1991, and in November of  
17 1991 and each year thereafter, to each municipality that  
18 received more than \$500,000 during the preceding fiscal year,  
19 (July 1 through June 30) whether collected by the municipality  
20 or disbursed by the Department as required by this Section.  
21 Within 10 days after January 14, 1991, participating  
22 municipalities shall notify the Department in writing of their  
23 intent to participate. In addition, for the initial  
24 distribution, participating municipalities shall certify to  
25 the Department the amounts collected by the municipality for  
26 each month under its home rule occupation and service

1 occupation tax during the period July 1, 1989 through June 30,  
2 1990. The allocation within 10 days after January 14, 1991,  
3 shall be in an amount equal to the monthly average of these  
4 amounts, excluding the 2 months of highest receipts. Monthly  
5 average for the period of July 1, 1990 through June 30, 1991  
6 will be determined as follows: the amounts collected by the  
7 municipality under its home rule occupation and service  
8 occupation tax during the period of July 1, 1990 through  
9 September 30, 1990, plus amounts collected by the Department  
10 and paid to such municipality through June 30, 1991, excluding  
11 the 2 months of highest receipts. The monthly average for each  
12 subsequent period of July 1 through June 30 shall be an amount  
13 equal to the monthly distribution made to each such  
14 municipality under the preceding paragraph during this period,  
15 excluding the 2 months of highest receipts. The distribution  
16 made in November 1991 and each year thereafter under this  
17 paragraph and the preceding paragraph shall be reduced by the  
18 amount allocated and disbursed under this paragraph in the  
19 preceding period of July 1 through June 30. The Department  
20 shall prepare and certify to the Comptroller for disbursement  
21 the allocations made in accordance with this paragraph.

22 Nothing in this Section shall be construed to authorize a  
23 municipality to impose a tax upon the privilege of engaging in  
24 any business which under the constitution of the United States  
25 may not be made the subject of taxation by this State.

26 An ordinance or resolution imposing or discontinuing a tax

1 hereunder or effecting a change in the rate thereof shall be  
2 adopted and a certified copy thereof filed with the Department  
3 on or before the first day of June, whereupon the Department  
4 shall proceed to administer and enforce this Section as of the  
5 first day of September next following such adoption and  
6 filing. Beginning January 1, 1992, an ordinance or resolution  
7 imposing or discontinuing the tax hereunder or effecting a  
8 change in the rate thereof shall be adopted and a certified  
9 copy thereof filed with the Department on or before the first  
10 day of July, whereupon the Department shall proceed to  
11 administer and enforce this Section as of the first day of  
12 October next following such adoption and filing. Beginning  
13 January 1, 1993, an ordinance or resolution imposing or  
14 discontinuing the tax hereunder or effecting a change in the  
15 rate thereof shall be adopted and a certified copy thereof  
16 filed with the Department on or before the first day of  
17 October, whereupon the Department shall proceed to administer  
18 and enforce this Section as of the first day of January next  
19 following such adoption and filing. However, a municipality  
20 located in a county with a population in excess of 3,000,000  
21 that elected to become a home rule unit at the general primary  
22 election in 1994 may adopt an ordinance or resolution imposing  
23 the tax under this Section and file a certified copy of the  
24 ordinance or resolution with the Department on or before July  
25 1, 1994. The Department shall then proceed to administer and  
26 enforce this Section as of October 1, 1994. Beginning April 1,

1 1998, an ordinance or resolution imposing or discontinuing the  
2 tax hereunder or effecting a change in the rate thereof shall  
3 either (i) be adopted and a certified copy thereof filed with  
4 the Department on or before the first day of April, whereupon  
5 the Department shall proceed to administer and enforce this  
6 Section as of the first day of July next following the adoption  
7 and filing; or (ii) be adopted and a certified copy thereof  
8 filed with the Department on or before the first day of  
9 October, whereupon the Department shall proceed to administer  
10 and enforce this Section as of the first day of January next  
11 following the adoption and filing.

12 Any unobligated balance remaining in the Municipal  
13 Retailers' Occupation Tax Fund on December 31, 1989, which  
14 fund was abolished by Public Act 85-1135, and all receipts of  
15 municipal tax as a result of audits of liability periods prior  
16 to January 1, 1990, shall be paid into the Local Government Tax  
17 Fund, for distribution as provided by this Section prior to  
18 the enactment of Public Act 85-1135. All receipts of municipal  
19 tax as a result of an assessment not arising from an audit, for  
20 liability periods prior to January 1, 1990, shall be paid into  
21 the Local Government Tax Fund for distribution before July 1,  
22 1990, as provided by this Section prior to the enactment of  
23 Public Act 85-1135, and on and after July 1, 1990, all such  
24 receipts shall be distributed as provided in Section 6z-18 of  
25 the State Finance Act.

26 As used in this Section, "municipal" and "municipality"



1 means a city, village or incorporated town, including an  
2 incorporated town which has superseded a civil township.

3 This Section shall be known and may be cited as the Home  
4 Rule Municipal Service Occupation Tax Act.

5 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
6 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
7 7-12-19; 101-604, eff. 12-13-19.)

8 (65 ILCS 5/11-74.3-6)

9 Sec. 11-74.3-6. Business district revenue and obligations;  
10 business district tax allocation fund.

11 (a) If the corporate authorities of a municipality have  
12 approved a business district plan, have designated a business  
13 district, and have elected to impose a tax by ordinance  
14 pursuant to subsection (10) or (11) of Section 11-74.3-3, then  
15 each year after the date of the approval of the ordinance but  
16 terminating upon the date all business district project costs  
17 and all obligations paying or reimbursing business district  
18 project costs, if any, have been paid, but in no event later  
19 than the dissolution date, all amounts generated by the  
20 retailers' occupation tax and service occupation tax shall be  
21 collected and the tax shall be enforced by the Department of  
22 Revenue in the same manner as all retailers' occupation taxes  
23 and service occupation taxes imposed in the municipality  
24 imposing the tax and all amounts generated by the hotel  
25 operators' occupation tax shall be collected and the tax shall

1 be enforced by the municipality in the same manner as all hotel  
2 operators' occupation taxes imposed in the municipality  
3 imposing the tax. The corporate authorities of the  
4 municipality shall deposit the proceeds of the taxes imposed  
5 under subsections (10) and (11) of Section 11-74.3-3 into a  
6 special fund of the municipality called the "[Name of]  
7 Business District Tax Allocation Fund" for the purpose of  
8 paying or reimbursing business district project costs and  
9 obligations incurred in the payment of those costs.

10 (b) The corporate authorities of a municipality that has  
11 designated a business district under this Law may, by  
12 ordinance, impose a Business District Retailers' Occupation  
13 Tax upon all persons engaged in the business of selling  
14 tangible personal property, other than an item of tangible  
15 personal property titled or registered with an agency of this  
16 State's government, at retail in the business district at a  
17 rate not to exceed 1% of the gross receipts from the sales made  
18 in the course of such business, to be imposed only in 0.25%  
19 increments. The tax may not be imposed on tangible personal  
20 property taxed at the rate of 1% under the Retailers'  
21 Occupation Tax Act (or at the 0% rate imposed under this  
22 amendatory Act of the 102nd General Assembly). Beginning  
23 December 1, 2019 and through December 31, 2020, this tax is not  
24 imposed on sales of aviation fuel unless the tax revenue is  
25 expended for airport-related purposes. If the District does  
26 not have an airport-related purpose to which it dedicates

1 aviation fuel tax revenue, then aviation fuel is excluded from  
2 the tax. Each municipality must comply with the certification  
3 requirements for airport-related purposes under Section 2-22  
4 of the Retailers' Occupation Tax Act. For purposes of this  
5 Section, "airport-related purposes" has the meaning ascribed  
6 in Section 6z-20.2 of the State Finance Act. Beginning January  
7 1, 2021, this tax is not imposed on sales of aviation fuel for  
8 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
9 and 49 U.S.C. 47133 are binding on the District.

10 The tax imposed under this subsection and all civil  
11 penalties that may be assessed as an incident thereof shall be  
12 collected and enforced by the Department of Revenue. The  
13 certificate of registration that is issued by the Department  
14 to a retailer under the Retailers' Occupation Tax Act shall  
15 permit the retailer to engage in a business that is taxable  
16 under any ordinance or resolution enacted pursuant to this  
17 subsection without registering separately with the Department  
18 under such ordinance or resolution or under this subsection.  
19 The Department of Revenue shall have full power to administer  
20 and enforce this subsection; to collect all taxes and  
21 penalties due under this subsection in the manner hereinafter  
22 provided; and to determine all rights to credit memoranda  
23 arising on account of the erroneous payment of tax or penalty  
24 under this subsection. In the administration of, and  
25 compliance with, this subsection, the Department and persons  
26 who are subject to this subsection shall have the same rights,

1 remedies, privileges, immunities, powers and duties, and be  
2 subject to the same conditions, restrictions, limitations,  
3 penalties, exclusions, exemptions, and definitions of terms  
4 and employ the same modes of procedure, as are prescribed in  
5 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
6 provisions therein other than the State rate of tax), 2c  
7 through 2h, 3 (except as to the disposition of taxes and  
8 penalties collected, and except that the retailer's discount  
9 is not allowed for taxes paid on aviation fuel that are subject  
10 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
11 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,  
12 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'  
13 Occupation Tax Act and all provisions of the Uniform Penalty  
14 and Interest Act, as fully as if those provisions were set  
15 forth herein.

16 Persons subject to any tax imposed under this subsection  
17 may reimburse themselves for their seller's tax liability  
18 under this subsection by separately stating the tax as an  
19 additional charge, which charge may be stated in combination,  
20 in a single amount, with State taxes that sellers are required  
21 to collect under the Use Tax Act, in accordance with such  
22 bracket schedules as the Department may prescribe.

23 Whenever the Department determines that a refund should be  
24 made under this subsection to a claimant instead of issuing a  
25 credit memorandum, the Department shall notify the State  
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified and to the person named in the notification  
2 from the Department. The refund shall be paid by the State  
3 Treasurer out of the business district retailers' occupation  
4 tax fund or the Local Government Aviation Trust Fund, as  
5 appropriate.

6 Except as otherwise provided in this paragraph, the  
7 Department shall immediately pay over to the State Treasurer,  
8 ex officio, as trustee, all taxes, penalties, and interest  
9 collected under this subsection for deposit into the business  
10 district retailers' occupation tax fund. Taxes and penalties  
11 collected on aviation fuel sold on or after December 1, 2019,  
12 shall be immediately paid over by the Department to the State  
13 Treasurer, ex officio, as trustee, for deposit into the Local  
14 Government Aviation Trust Fund. The Department shall only pay  
15 moneys into the Local Government Aviation Trust Fund under  
16 this Section for so long as the revenue use requirements of 49  
17 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 District.

19 As soon as possible after the first day of each month,  
20 beginning January 1, 2011, upon certification of the  
21 Department of Revenue, the Comptroller shall order  
22 transferred, and the Treasurer shall transfer, to the STAR  
23 Bonds Revenue Fund the local sales tax increment, as defined  
24 in the Innovation Development and Economy Act, collected under  
25 this subsection during the second preceding calendar month for  
26 sales within a STAR bond district.

1           After the monthly transfer to the STAR Bonds Revenue Fund,  
2           on or before the 25th day of each calendar month, the  
3           Department shall prepare and certify to the Comptroller the  
4           disbursement of stated sums of money to named municipalities  
5           from the business district retailers' occupation tax fund, the  
6           municipalities to be those from which retailers have paid  
7           taxes or penalties under this subsection to the Department  
8           during the second preceding calendar month. The amount to be  
9           paid to each municipality shall be the amount (not including  
10          credit memoranda and not including taxes and penalties  
11          collected on aviation fuel sold on or after December 1, 2019)  
12          collected under this subsection during the second preceding  
13          calendar month by the Department plus an amount the Department  
14          determines is necessary to offset any amounts that were  
15          erroneously paid to a different taxing body, and not including  
16          an amount equal to the amount of refunds made during the second  
17          preceding calendar month by the Department, less 2% of that  
18          amount (except the amount collected on aviation fuel sold on  
19          or after December 1, 2019), which shall be deposited into the  
20          Tax Compliance and Administration Fund and shall be used by  
21          the Department, subject to appropriation, to cover the costs  
22          of the Department in administering and enforcing the  
23          provisions of this subsection, on behalf of such municipality,  
24          and not including any amount that the Department determines is  
25          necessary to offset any amounts that were payable to a  
26          different taxing body but were erroneously paid to the

1 municipality, and not including any amounts that are  
2 transferred to the STAR Bonds Revenue Fund. Within 10 days  
3 after receipt by the Comptroller of the disbursement  
4 certification to the municipalities provided for in this  
5 subsection to be given to the Comptroller by the Department,  
6 the Comptroller shall cause the orders to be drawn for the  
7 respective amounts in accordance with the directions contained  
8 in the certification. The proceeds of the tax paid to  
9 municipalities under this subsection shall be deposited into  
10 the Business District Tax Allocation Fund by the municipality.

11 An ordinance imposing or discontinuing the tax under this  
12 subsection or effecting a change in the rate thereof shall  
13 either (i) be adopted and a certified copy thereof filed with  
14 the Department on or before the first day of April, whereupon  
15 the Department, if all other requirements of this subsection  
16 are met, shall proceed to administer and enforce this  
17 subsection as of the first day of July next following the  
18 adoption and filing; or (ii) be adopted and a certified copy  
19 thereof filed with the Department on or before the first day of  
20 October, whereupon, if all other requirements of this  
21 subsection are met, the Department shall proceed to administer  
22 and enforce this subsection as of the first day of January next  
23 following the adoption and filing.

24 The Department of Revenue shall not administer or enforce  
25 an ordinance imposing, discontinuing, or changing the rate of  
26 the tax under this subsection, until the municipality also

1 provides, in the manner prescribed by the Department, the  
2 boundaries of the business district and each address in the  
3 business district in such a way that the Department can  
4 determine by its address whether a business is located in the  
5 business district. The municipality must provide this boundary  
6 and address information to the Department on or before April 1  
7 for administration and enforcement of the tax under this  
8 subsection by the Department beginning on the following July 1  
9 and on or before October 1 for administration and enforcement  
10 of the tax under this subsection by the Department beginning  
11 on the following January 1. The Department of Revenue shall  
12 not administer or enforce any change made to the boundaries of  
13 a business district or address change, addition, or deletion  
14 until the municipality reports the boundary change or address  
15 change, addition, or deletion to the Department in the manner  
16 prescribed by the Department. The municipality must provide  
17 this boundary change information or address change, addition,  
18 or deletion to the Department on or before April 1 for  
19 administration and enforcement by the Department of the change  
20 beginning on the following July 1 and on or before October 1  
21 for administration and enforcement by the Department of the  
22 change beginning on the following January 1. The retailers in  
23 the business district shall be responsible for charging the  
24 tax imposed under this subsection. If a retailer is  
25 incorrectly included or excluded from the list of those  
26 required to collect the tax under this subsection, both the



1 Department of Revenue and the retailer shall be held harmless  
2 if they reasonably relied on information provided by the  
3 municipality.

4 A municipality that imposes the tax under this subsection  
5 must submit to the Department of Revenue any other information  
6 as the Department may require for the administration and  
7 enforcement of the tax.

8 When certifying the amount of a monthly disbursement to a  
9 municipality under this subsection, the Department shall  
10 increase or decrease the amount by an amount necessary to  
11 offset any misallocation of previous disbursements. The offset  
12 amount shall be the amount erroneously disbursed within the  
13 previous 6 months from the time a misallocation is discovered.

14 Nothing in this subsection shall be construed to authorize  
15 the municipality to impose a tax upon the privilege of  
16 engaging in any business which under the Constitution of the  
17 United States may not be made the subject of taxation by this  
18 State.

19 If a tax is imposed under this subsection (b), a tax shall  
20 also be imposed under subsection (c) of this Section.

21 (c) If a tax has been imposed under subsection (b), a  
22 Business District Service Occupation Tax shall also be imposed  
23 upon all persons engaged, in the business district, in the  
24 business of making sales of service, who, as an incident to  
25 making those sales of service, transfer tangible personal  
26 property within the business district, either in the form of

1 tangible personal property or in the form of real estate as an  
2 incident to a sale of service. The tax shall be imposed at the  
3 same rate as the tax imposed in subsection (b) and shall not  
4 exceed 1% of the selling price of tangible personal property  
5 so transferred within the business district, to be imposed  
6 only in 0.25% increments. The tax may not be imposed on  
7 tangible personal property taxed at the 1% rate under the  
8 Service Occupation Tax Act (or at the 0% rate imposed under  
9 this amendatory Act of the 102nd General Assembly). Beginning  
10 December 1, 2019, this tax is not imposed on sales of aviation  
11 fuel unless the tax revenue is expended for airport-related  
12 purposes. If the District does not have an airport-related  
13 purpose to which it dedicates aviation fuel tax revenue, then  
14 aviation fuel is excluded from the tax. Each municipality must  
15 comply with the certification requirements for airport-related  
16 purposes under Section 2-22 of the Retailers' Occupation Tax  
17 Act. For purposes of this Act, "airport-related purposes" has  
18 the meaning ascribed in Section 6z-20.2 of the State Finance  
19 Act. Beginning January 1, 2021, this tax is not imposed on  
20 sales of aviation fuel for so long as the revenue use  
21 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
22 binding on the District.

23 The tax imposed under this subsection and all civil  
24 penalties that may be assessed as an incident thereof shall be  
25 collected and enforced by the Department of Revenue. The  
26 certificate of registration which is issued by the Department

1 to a retailer under the Retailers' Occupation Tax Act or under  
2 the Service Occupation Tax Act shall permit such registrant to  
3 engage in a business which is taxable under any ordinance or  
4 resolution enacted pursuant to this subsection without  
5 registering separately with the Department under such  
6 ordinance or resolution or under this subsection. The  
7 Department of Revenue shall have full power to administer and  
8 enforce this subsection; to collect all taxes and penalties  
9 due under this subsection; to dispose of taxes and penalties  
10 so collected in the manner hereinafter provided; and to  
11 determine all rights to credit memoranda arising on account of  
12 the erroneous payment of tax or penalty under this subsection.  
13 In the administration of, and compliance with this subsection,  
14 the Department and persons who are subject to this subsection  
15 shall have the same rights, remedies, privileges, immunities,  
16 powers and duties, and be subject to the same conditions,  
17 restrictions, limitations, penalties, exclusions, exemptions,  
18 and definitions of terms and employ the same modes of  
19 procedure as are prescribed in Sections 2, 2a through 2d, 3  
20 through 3-50 (in respect to all provisions therein other than  
21 the State rate of tax), 4 (except that the reference to the  
22 State shall be to the business district), 5, 7, 8 (except that  
23 the jurisdiction to which the tax shall be a debt to the extent  
24 indicated in that Section 8 shall be the municipality), 9  
25 (except as to the disposition of taxes and penalties  
26 collected, and except that the returned merchandise credit for

1 this tax may not be taken against any State tax, and except  
2 that the retailer's discount is not allowed for taxes paid on  
3 aviation fuel that are subject to the revenue use requirements  
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except  
5 the reference therein to Section 2b of the Retailers'  
6 Occupation Tax Act), 13 (except that any reference to the  
7 State shall mean the municipality), the first paragraph of  
8 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service  
9 Occupation Tax Act and all provisions of the Uniform Penalty  
10 and Interest Act, as fully as if those provisions were set  
11 forth herein.

12 Persons subject to any tax imposed under the authority  
13 granted in this subsection may reimburse themselves for their  
14 serviceman's tax liability hereunder by separately stating the  
15 tax as an additional charge, which charge may be stated in  
16 combination, in a single amount, with State tax that  
17 servicemen are authorized to collect under the Service Use Tax  
18 Act, in accordance with such bracket schedules as the  
19 Department may prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this subsection to a claimant instead of issuing  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the order to be drawn for the  
24 amount specified, and to the person named, in such  
25 notification from the Department. Such refund shall be paid by  
26 the State Treasurer out of the business district retailers'

1 occupation tax fund or the Local Government Aviation Trust  
2 Fund, as appropriate.

3 Except as otherwise provided in this paragraph, the  
4 Department shall forthwith pay over to the State Treasurer,  
5 ex-officio, as trustee, all taxes, penalties, and interest  
6 collected under this subsection for deposit into the business  
7 district retailers' occupation tax fund. Taxes and penalties  
8 collected on aviation fuel sold on or after December 1, 2019,  
9 shall be immediately paid over by the Department to the State  
10 Treasurer, ex officio, as trustee, for deposit into the Local  
11 Government Aviation Trust Fund. The Department shall only pay  
12 moneys into the Local Government Aviation Trust Fund under  
13 this Section for so long as the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
15 District.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the  
18 Department of Revenue, the Comptroller shall order  
19 transferred, and the Treasurer shall transfer, to the STAR  
20 Bonds Revenue Fund the local sales tax increment, as defined  
21 in the Innovation Development and Economy Act, collected under  
22 this subsection during the second preceding calendar month for  
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities  
2 from the business district retailers' occupation tax fund, the  
3 municipalities to be those from which suppliers and servicemen  
4 have paid taxes or penalties under this subsection to the  
5 Department during the second preceding calendar month. The  
6 amount to be paid to each municipality shall be the amount (not  
7 including credit memoranda and not including taxes and  
8 penalties collected on aviation fuel sold on or after December  
9 1, 2019) collected under this subsection during the second  
10 preceding calendar month by the Department, less 2% of that  
11 amount (except the amount collected on aviation fuel sold on  
12 or after December 1, 2019), which shall be deposited into the  
13 Tax Compliance and Administration Fund and shall be used by  
14 the Department, subject to appropriation, to cover the costs  
15 of the Department in administering and enforcing the  
16 provisions of this subsection, and not including an amount  
17 equal to the amount of refunds made during the second  
18 preceding calendar month by the Department on behalf of such  
19 municipality, and not including any amounts that are  
20 transferred to the STAR Bonds Revenue Fund. Within 10 days  
21 after receipt, by the Comptroller, of the disbursement  
22 certification to the municipalities, provided for in this  
23 subsection to be given to the Comptroller by the Department,  
24 the Comptroller shall cause the orders to be drawn for the  
25 respective amounts in accordance with the directions contained  
26 in such certification. The proceeds of the tax paid to

1 municipalities under this subsection shall be deposited into  
2 the Business District Tax Allocation Fund by the municipality.

3 An ordinance imposing or discontinuing the tax under this  
4 subsection or effecting a change in the rate thereof shall  
5 either (i) be adopted and a certified copy thereof filed with  
6 the Department on or before the first day of April, whereupon  
7 the Department, if all other requirements of this subsection  
8 are met, shall proceed to administer and enforce this  
9 subsection as of the first day of July next following the  
10 adoption and filing; or (ii) be adopted and a certified copy  
11 thereof filed with the Department on or before the first day of  
12 October, whereupon, if all other conditions of this subsection  
13 are met, the Department shall proceed to administer and  
14 enforce this subsection as of the first day of January next  
15 following the adoption and filing.

16 The Department of Revenue shall not administer or enforce  
17 an ordinance imposing, discontinuing, or changing the rate of  
18 the tax under this subsection, until the municipality also  
19 provides, in the manner prescribed by the Department, the  
20 boundaries of the business district in such a way that the  
21 Department can determine by its address whether a business is  
22 located in the business district. The municipality must  
23 provide this boundary and address information to the  
24 Department on or before April 1 for administration and  
25 enforcement of the tax under this subsection by the Department  
26 beginning on the following July 1 and on or before October 1

1 for administration and enforcement of the tax under this  
2 subsection by the Department beginning on the following  
3 January 1. The Department of Revenue shall not administer or  
4 enforce any change made to the boundaries of a business  
5 district or address change, addition, or deletion until the  
6 municipality reports the boundary change or address change,  
7 addition, or deletion to the Department in the manner  
8 prescribed by the Department. The municipality must provide  
9 this boundary change information or address change, addition,  
10 or deletion to the Department on or before April 1 for  
11 administration and enforcement by the Department of the change  
12 beginning on the following July 1 and on or before October 1  
13 for administration and enforcement by the Department of the  
14 change beginning on the following January 1. The retailers in  
15 the business district shall be responsible for charging the  
16 tax imposed under this subsection. If a retailer is  
17 incorrectly included or excluded from the list of those  
18 required to collect the tax under this subsection, both the  
19 Department of Revenue and the retailer shall be held harmless  
20 if they reasonably relied on information provided by the  
21 municipality.

22 A municipality that imposes the tax under this subsection  
23 must submit to the Department of Revenue any other information  
24 as the Department may require for the administration and  
25 enforcement of the tax.

26 Nothing in this subsection shall be construed to authorize



1 the municipality to impose a tax upon the privilege of  
2 engaging in any business which under the Constitution of the  
3 United States may not be made the subject of taxation by the  
4 State.

5 If a tax is imposed under this subsection (c), a tax shall  
6 also be imposed under subsection (b) of this Section.

7 (d) By ordinance, a municipality that has designated a  
8 business district under this Law may impose an occupation tax  
9 upon all persons engaged in the business district in the  
10 business of renting, leasing, or letting rooms in a hotel, as  
11 defined in the Hotel Operators' Occupation Tax Act, at a rate  
12 not to exceed 1% of the gross rental receipts from the renting,  
13 leasing, or letting of hotel rooms within the business  
14 district, to be imposed only in 0.25% increments, excluding,  
15 however, from gross rental receipts the proceeds of renting,  
16 leasing, or letting to permanent residents of a hotel, as  
17 defined in the Hotel Operators' Occupation Tax Act, and  
18 proceeds from the tax imposed under subsection (c) of Section  
19 13 of the Metropolitan Pier and Exposition Authority Act.

20 The tax imposed by the municipality under this subsection  
21 and all civil penalties that may be assessed as an incident to  
22 that tax shall be collected and enforced by the municipality  
23 imposing the tax. The municipality shall have full power to  
24 administer and enforce this subsection, to collect all taxes  
25 and penalties due under this subsection, to dispose of taxes  
26 and penalties so collected in the manner provided in this

1 subsection, and to determine all rights to credit memoranda  
2 arising on account of the erroneous payment of tax or penalty  
3 under this subsection. In the administration of and compliance  
4 with this subsection, the municipality and persons who are  
5 subject to this subsection shall have the same rights,  
6 remedies, privileges, immunities, powers, and duties, shall be  
7 subject to the same conditions, restrictions, limitations,  
8 penalties, and definitions of terms, and shall employ the same  
9 modes of procedure as are employed with respect to a tax  
10 adopted by the municipality under Section 8-3-14 of this Code.

11 Persons subject to any tax imposed under the authority  
12 granted in this subsection may reimburse themselves for their  
13 tax liability for that tax by separately stating that tax as an  
14 additional charge, which charge may be stated in combination,  
15 in a single amount, with State taxes imposed under the Hotel  
16 Operators' Occupation Tax Act, and with any other tax.

17 Nothing in this subsection shall be construed to authorize  
18 a municipality to impose a tax upon the privilege of engaging  
19 in any business which under the Constitution of the United  
20 States may not be made the subject of taxation by this State.

21 The proceeds of the tax imposed under this subsection  
22 shall be deposited into the Business District Tax Allocation  
23 Fund.

24 (e) Obligations secured by the Business District Tax  
25 Allocation Fund may be issued to provide for the payment or  
26 reimbursement of business district project costs. Those

1 obligations, when so issued, shall be retired in the manner  
2 provided in the ordinance authorizing the issuance of those  
3 obligations by the receipts of taxes imposed pursuant to  
4 subsections (10) and (11) of Section 11-74.3-3 and by other  
5 revenue designated or pledged by the municipality. A  
6 municipality may in the ordinance pledge, for any period of  
7 time up to and including the dissolution date, all or any part  
8 of the funds in and to be deposited in the Business District  
9 Tax Allocation Fund to the payment of business district  
10 project costs and obligations. Whenever a municipality pledges  
11 all of the funds to the credit of a business district tax  
12 allocation fund to secure obligations issued or to be issued  
13 to pay or reimburse business district project costs, the  
14 municipality may specifically provide that funds remaining to  
15 the credit of such business district tax allocation fund after  
16 the payment of such obligations shall be accounted for  
17 annually and shall be deemed to be "surplus" funds, and such  
18 "surplus" funds shall be expended by the municipality for any  
19 business district project cost as approved in the business  
20 district plan. Whenever a municipality pledges less than all  
21 of the monies to the credit of a business district tax  
22 allocation fund to secure obligations issued or to be issued  
23 to pay or reimburse business district project costs, the  
24 municipality shall provide that monies to the credit of the  
25 business district tax allocation fund and not subject to such  
26 pledge or otherwise encumbered or required for payment of

1 contractual obligations for specific business district project  
2 costs shall be calculated annually and shall be deemed to be  
3 "surplus" funds, and such "surplus" funds shall be expended by  
4 the municipality for any business district project cost as  
5 approved in the business district plan.

6 No obligation issued pursuant to this Law and secured by a  
7 pledge of all or any portion of any revenues received or to be  
8 received by the municipality from the imposition of taxes  
9 pursuant to subsection (10) of Section 11-74.3-3, shall be  
10 deemed to constitute an economic incentive agreement under  
11 Section 8-11-20, notwithstanding the fact that such pledge  
12 provides for the sharing, rebate, or payment of retailers'  
13 occupation taxes or service occupation taxes imposed pursuant  
14 to subsection (10) of Section 11-74.3-3 and received or to be  
15 received by the municipality from the development or  
16 redevelopment of properties in the business district.

17 Without limiting the foregoing in this Section, the  
18 municipality may further secure obligations secured by the  
19 business district tax allocation fund with a pledge, for a  
20 period not greater than the term of the obligations and in any  
21 case not longer than the dissolution date, of any part or any  
22 combination of the following: (i) net revenues of all or part  
23 of any business district project; (ii) taxes levied or imposed  
24 by the municipality on any or all property in the  
25 municipality, including, specifically, taxes levied or imposed  
26 by the municipality in a special service area pursuant to the

1 Special Service Area Tax Law; (iii) the full faith and credit  
2 of the municipality; (iv) a mortgage on part or all of the  
3 business district project; or (v) any other taxes or  
4 anticipated receipts that the municipality may lawfully  
5 pledge.

6 Such obligations may be issued in one or more series, bear  
7 such date or dates, become due at such time or times as therein  
8 provided, but in any case not later than (i) 20 years after the  
9 date of issue or (ii) the dissolution date, whichever is  
10 earlier, bear interest payable at such intervals and at such  
11 rate or rates as set forth therein, except as may be limited by  
12 applicable law, which rate or rates may be fixed or variable,  
13 be in such denominations, be in such form, either coupon,  
14 registered, or book-entry, carry such conversion, registration  
15 and exchange privileges, be subject to defeasance upon such  
16 terms, have such rank or priority, be executed in such manner,  
17 be payable in such medium or payment at such place or places  
18 within or without the State, make provision for a corporate  
19 trustee within or without the State with respect to such  
20 obligations, prescribe the rights, powers, and duties thereof  
21 to be exercised for the benefit of the municipality and the  
22 benefit of the owners of such obligations, provide for the  
23 holding in trust, investment, and use of moneys, funds, and  
24 accounts held under an ordinance, provide for assignment of  
25 and direct payment of the moneys to pay such obligations or to  
26 be deposited into such funds or accounts directly to such

1 trustee, be subject to such terms of redemption with or  
2 without premium, and be sold at such price, all as the  
3 corporate authorities shall determine. No referendum approval  
4 of the electors shall be required as a condition to the  
5 issuance of obligations pursuant to this Law except as  
6 provided in this Section.

7 In the event the municipality authorizes the issuance of  
8 obligations pursuant to the authority of this Law secured by  
9 the full faith and credit of the municipality, or pledges ad  
10 valorem taxes pursuant to this subsection, which obligations  
11 are other than obligations which may be issued under home rule  
12 powers provided by Section 6 of Article VII of the Illinois  
13 Constitution or which ad valorem taxes are other than ad  
14 valorem taxes which may be pledged under home rule powers  
15 provided by Section 6 of Article VII of the Illinois  
16 Constitution or which are levied in a special service area  
17 pursuant to the Special Service Area Tax Law, the ordinance  
18 authorizing the issuance of those obligations or pledging  
19 those taxes shall be published within 10 days after the  
20 ordinance has been adopted, in a newspaper having a general  
21 circulation within the municipality. The publication of the  
22 ordinance shall be accompanied by a notice of (i) the specific  
23 number of voters required to sign a petition requesting the  
24 question of the issuance of the obligations or pledging such  
25 ad valorem taxes to be submitted to the electors; (ii) the time  
26 within which the petition must be filed; and (iii) the date of

1 the prospective referendum. The municipal clerk shall provide  
2 a petition form to any individual requesting one.

3 If no petition is filed with the municipal clerk, as  
4 hereinafter provided in this Section, within 21 days after the  
5 publication of the ordinance, the ordinance shall be in  
6 effect. However, if within that 21-day period a petition is  
7 filed with the municipal clerk, signed by electors numbering  
8 not less than 15% of the number of electors voting for the  
9 mayor or president at the last general municipal election,  
10 asking that the question of issuing obligations using full  
11 faith and credit of the municipality as security for the cost  
12 of paying or reimbursing business district project costs, or  
13 of pledging such ad valorem taxes for the payment of those  
14 obligations, or both, be submitted to the electors of the  
15 municipality, the municipality shall not be authorized to  
16 issue obligations of the municipality using the full faith and  
17 credit of the municipality as security or pledging such ad  
18 valorem taxes for the payment of those obligations, or both,  
19 until the proposition has been submitted to and approved by a  
20 majority of the voters voting on the proposition at a  
21 regularly scheduled election. The municipality shall certify  
22 the proposition to the proper election authorities for  
23 submission in accordance with the general election law.

24 The ordinance authorizing the obligations may provide that  
25 the obligations shall contain a recital that they are issued  
26 pursuant to this Law, which recital shall be conclusive

1 evidence of their validity and of the regularity of their  
2 issuance.

3 In the event the municipality authorizes issuance of  
4 obligations pursuant to this Law secured by the full faith and  
5 credit of the municipality, the ordinance authorizing the  
6 obligations may provide for the levy and collection of a  
7 direct annual tax upon all taxable property within the  
8 municipality sufficient to pay the principal thereof and  
9 interest thereon as it matures, which levy may be in addition  
10 to and exclusive of the maximum of all other taxes authorized  
11 to be levied by the municipality, which levy, however, shall  
12 be abated to the extent that monies from other sources are  
13 available for payment of the obligations and the municipality  
14 certifies the amount of those monies available to the county  
15 clerk.

16 A certified copy of the ordinance shall be filed with the  
17 county clerk of each county in which any portion of the  
18 municipality is situated, and shall constitute the authority  
19 for the extension and collection of the taxes to be deposited  
20 in the business district tax allocation fund.

21 A municipality may also issue its obligations to refund,  
22 in whole or in part, obligations theretofore issued by the  
23 municipality under the authority of this Law, whether at or  
24 prior to maturity. However, the last maturity of the refunding  
25 obligations shall not be expressed to mature later than the  
26 dissolution date.



1           In the event a municipality issues obligations under home  
2 rule powers or other legislative authority, the proceeds of  
3 which are pledged to pay or reimburse business district  
4 project costs, the municipality may, if it has followed the  
5 procedures in conformance with this Law, retire those  
6 obligations from funds in the business district tax allocation  
7 fund in amounts and in such manner as if those obligations had  
8 been issued pursuant to the provisions of this Law.

9           No obligations issued pursuant to this Law shall be  
10 regarded as indebtedness of the municipality issuing those  
11 obligations or any other taxing district for the purpose of  
12 any limitation imposed by law.

13           Obligations issued pursuant to this Law shall not be  
14 subject to the provisions of the Bond Authorization Act.

15           (f) When business district project costs, including,  
16 without limitation, all obligations paying or reimbursing  
17 business district project costs have been paid, any surplus  
18 funds then remaining in the Business District Tax Allocation  
19 Fund shall be distributed to the municipal treasurer for  
20 deposit into the general corporate fund of the municipality.  
21 Upon payment of all business district project costs and  
22 retirement of all obligations paying or reimbursing business  
23 district project costs, but in no event more than 23 years  
24 after the date of adoption of the ordinance imposing taxes  
25 pursuant to subsection (10) or (11) of Section 11-74.3-3, the  
26 municipality shall adopt an ordinance immediately rescinding

1 the taxes imposed pursuant to subsection (10) or (11) of  
2 Section 11-74.3-3.

3 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
4 101-604, eff. 12-13-19.)

5 Section 60-50. The Flood Prevention District Act is  
6 amended by changing Section 25 as follows:

7 (70 ILCS 750/25)

8 Sec. 25. Flood prevention retailers' and service  
9 occupation taxes.

10 (a) If the Board of Commissioners of a flood prevention  
11 district determines that an emergency situation exists  
12 regarding levee repair or flood prevention, and upon an  
13 ordinance confirming the determination adopted by the  
14 affirmative vote of a majority of the members of the county  
15 board of the county in which the district is situated, the  
16 county may impose a flood prevention retailers' occupation tax  
17 upon all persons engaged in the business of selling tangible  
18 personal property at retail within the territory of the  
19 district to provide revenue to pay the costs of providing  
20 emergency levee repair and flood prevention and to secure the  
21 payment of bonds, notes, and other evidences of indebtedness  
22 issued under this Act for a period not to exceed 25 years or as  
23 required to repay the bonds, notes, and other evidences of  
24 indebtedness issued under this Act. The tax rate shall be

1 0.25% of the gross receipts from all taxable sales made in the  
2 course of that business. Beginning December 1, 2019 and  
3 through December 31, 2020, this tax is not imposed on sales of  
4 aviation fuel unless the tax revenue is expended for  
5 airport-related purposes. If the District does not have an  
6 airport-related purpose to which it dedicates aviation fuel  
7 tax revenue, then aviation fuel is excluded from the tax. The  
8 County must comply with the certification requirements for  
9 airport-related purposes under Section 2-22 of the Retailers'  
10 Occupation Tax Act. The tax imposed under this Section and all  
11 civil penalties that may be assessed as an incident thereof  
12 shall be collected and enforced by the State Department of  
13 Revenue. The Department shall have full power to administer  
14 and enforce this Section; to collect all taxes and penalties  
15 so collected in the manner hereinafter provided; and to  
16 determine all rights to credit memoranda arising on account of  
17 the erroneous payment of tax or penalty hereunder.

18 For purposes of this Act, "airport-related purposes" has  
19 the meaning ascribed in Section 6z-20.2 of the State Finance  
20 Act. Beginning January 1, 2021, this tax is not imposed on  
21 sales of aviation fuel for so long as the revenue use  
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
23 binding on the District.

24 In the administration of and compliance with this  
25 subsection, the Department and persons who are subject to this  
26 subsection (i) have the same rights, remedies, privileges,

1 immunities, powers, and duties, (ii) are subject to the same  
2 conditions, restrictions, limitations, penalties, and  
3 definitions of terms, and (iii) shall employ the same modes of  
4 procedure as are set forth in Sections 1 through 1o, 2 through  
5 2-70 (in respect to all provisions contained in those Sections  
6 other than the State rate of tax), 2a through 2h, 3 (except as  
7 to the disposition of taxes and penalties collected, and  
8 except that the retailer's discount is not allowed for taxes  
9 paid on aviation fuel that are subject to the revenue use  
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
11 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7,  
12 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax  
13 Act and all provisions of the Uniform Penalty and Interest Act  
14 as if those provisions were set forth in this subsection.

15 Persons subject to any tax imposed under this Section may  
16 reimburse themselves for their seller's tax liability  
17 hereunder by separately stating the tax as an additional  
18 charge, which charge may be stated in combination in a single  
19 amount with State taxes that sellers are required to collect  
20 under the Use Tax Act, under any bracket schedules the  
21 Department may prescribe.

22 If a tax is imposed under this subsection (a), a tax shall  
23 also be imposed under subsection (b) of this Section.

24 (b) If a tax has been imposed under subsection (a), a flood  
25 prevention service occupation tax shall also be imposed upon  
26 all persons engaged within the territory of the district in

1 the business of making sales of service, who, as an incident to  
2 making the sales of service, transfer tangible personal  
3 property, either in the form of tangible personal property or  
4 in the form of real estate as an incident to a sale of service  
5 to provide revenue to pay the costs of providing emergency  
6 levee repair and flood prevention and to secure the payment of  
7 bonds, notes, and other evidences of indebtedness issued under  
8 this Act for a period not to exceed 25 years or as required to  
9 repay the bonds, notes, and other evidences of indebtedness.  
10 The tax rate shall be 0.25% of the selling price of all  
11 tangible personal property transferred. Beginning December 1,  
12 2019 and through December 31, 2020, this tax is not imposed on  
13 sales of aviation fuel unless the tax revenue is expended for  
14 airport-related purposes. If the District does not have an  
15 airport-related purpose to which it dedicates aviation fuel  
16 tax revenue, then aviation fuel is excluded from the tax. The  
17 County must comply with the certification requirements for  
18 airport-related purposes under Section 2-22 of the Retailers'  
19 Occupation Tax Act. For purposes of this Act, "airport-related  
20 purposes" has the meaning ascribed in Section 6z-20.2 of the  
21 State Finance Act. Beginning January 1, 2021, this tax is not  
22 imposed on sales of aviation fuel for so long as the revenue  
23 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
24 binding on the District.

25 The tax imposed under this subsection and all civil  
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the State Department of Revenue. The  
2 Department shall have full power to administer and enforce  
3 this subsection; to collect all taxes and penalties due  
4 hereunder; to dispose of taxes and penalties collected in the  
5 manner hereinafter provided; and to determine all rights to  
6 credit memoranda arising on account of the erroneous payment  
7 of tax or penalty hereunder.

8 In the administration of and compliance with this  
9 subsection, the Department and persons who are subject to this  
10 subsection shall (i) have the same rights, remedies,  
11 privileges, immunities, powers, and duties, (ii) be subject to  
12 the same conditions, restrictions, limitations, penalties, and  
13 definitions of terms, and (iii) employ the same modes of  
14 procedure as are set forth in Sections 2 (except that the  
15 reference to State in the definition of supplier maintaining a  
16 place of business in this State means the district), 2a  
17 through 2d, 3 through 3-50 (in respect to all provisions  
18 contained in those Sections other than the State rate of tax),  
19 4 (except that the reference to the State shall be to the  
20 district), 5, 7, 8 (except that the jurisdiction to which the  
21 tax is a debt to the extent indicated in that Section 8 is the  
22 district), 9 (except as to the disposition of taxes and  
23 penalties collected, and except that the retailer's discount  
24 is not allowed for taxes paid on aviation fuel that are subject  
25 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
26 U.S.C. 47133), 10, 11, 12 (except the reference therein to

1 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
2 that any reference to the State means the district), Section  
3 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act  
4 and all provisions of the Uniform Penalty and Interest Act, as  
5 fully as if those provisions were set forth herein.

6 Persons subject to any tax imposed under the authority  
7 granted in this subsection may reimburse themselves for their  
8 serviceman's tax liability hereunder by separately stating the  
9 tax as an additional charge, that charge may be stated in  
10 combination in a single amount with State tax that servicemen  
11 are authorized to collect under the Service Use Tax Act, under  
12 any bracket schedules the Department may prescribe.

13 (c) The taxes imposed in subsections (a) and (b) may not be  
14 imposed on personal property titled or registered with an  
15 agency of the State or on personal property taxed at the 1%  
16 rate under the Retailers' Occupation Tax Act and the Service  
17 Occupation Tax Act (or at the 0% rate imposed under this  
18 amendatory Act of the 102nd General Assembly).

19 (d) Nothing in this Section shall be construed to  
20 authorize the district to impose a tax upon the privilege of  
21 engaging in any business that under the Constitution of the  
22 United States may not be made the subject of taxation by the  
23 State.

24 (e) The certificate of registration that is issued by the  
25 Department to a retailer under the Retailers' Occupation Tax  
26 Act or a serviceman under the Service Occupation Tax Act

1 permits the retailer or serviceman to engage in a business  
2 that is taxable without registering separately with the  
3 Department under an ordinance or resolution under this  
4 Section.

5 (f) Except as otherwise provided, the Department shall  
6 immediately pay over to the State Treasurer, ex officio, as  
7 trustee, all taxes and penalties collected under this Section  
8 to be deposited into the Flood Prevention Occupation Tax Fund,  
9 which shall be an unappropriated trust fund held outside the  
10 State treasury. Taxes and penalties collected on aviation fuel  
11 sold on or after December 1, 2019 and through December 31,  
12 2020, shall be immediately paid over by the Department to the  
13 State Treasurer, ex officio, as trustee, for deposit into the  
14 Local Government Aviation Trust Fund. The Department shall  
15 only pay moneys into the Local Government Aviation Trust Fund  
16 under this Act for so long as the revenue use requirements of  
17 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 District.

19 On or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to the counties from  
22 which retailers or servicemen have paid taxes or penalties to  
23 the Department during the second preceding calendar month. The  
24 amount to be paid to each county is equal to the amount (not  
25 including credit memoranda and not including taxes and  
26 penalties collected on aviation fuel sold on or after December



1 1, 2019 and through December 31, 2020) collected from the  
2 county under this Section during the second preceding calendar  
3 month by the Department, (i) less 2% of that amount (except the  
4 amount collected on aviation fuel sold on or after December 1,  
5 2019 and through December 31, 2020), which shall be deposited  
6 into the Tax Compliance and Administration Fund and shall be  
7 used by the Department in administering and enforcing the  
8 provisions of this Section on behalf of the county, (ii) plus  
9 an amount that the Department determines is necessary to  
10 offset any amounts that were erroneously paid to a different  
11 taxing body; (iii) less an amount equal to the amount of  
12 refunds made during the second preceding calendar month by the  
13 Department on behalf of the county; and (iv) less any amount  
14 that the Department determines is necessary to offset any  
15 amounts that were payable to a different taxing body but were  
16 erroneously paid to the county. When certifying the amount of  
17 a monthly disbursement to a county under this Section, the  
18 Department shall increase or decrease the amounts by an amount  
19 necessary to offset any miscalculation of previous  
20 disbursements within the previous 6 months from the time a  
21 miscalculation is discovered.

22 Within 10 days after receipt by the Comptroller from the  
23 Department of the disbursement certification to the counties  
24 provided for in this Section, the Comptroller shall cause the  
25 orders to be drawn for the respective amounts in accordance  
26 with directions contained in the certification.

1           If the Department determines that a refund should be made  
2 under this Section to a claimant instead of issuing a credit  
3 memorandum, then the Department shall notify the Comptroller,  
4 who shall cause the order to be drawn for the amount specified  
5 and to the person named in the notification from the  
6 Department. The refund shall be paid by the Treasurer out of  
7 the Flood Prevention Occupation Tax Fund or the Local  
8 Government Aviation Trust Fund, as appropriate.

9           (g) If a county imposes a tax under this Section, then the  
10 county board shall, by ordinance, discontinue the tax upon the  
11 payment of all indebtedness of the flood prevention district.  
12 The tax shall not be discontinued until all indebtedness of  
13 the District has been paid.

14           (h) Any ordinance imposing the tax under this Section, or  
15 any ordinance that discontinues the tax, must be certified by  
16 the county clerk and filed with the Illinois Department of  
17 Revenue either (i) on or before the first day of April,  
18 whereupon the Department shall proceed to administer and  
19 enforce the tax or change in the rate as of the first day of  
20 July next following the filing; or (ii) on or before the first  
21 day of October, whereupon the Department shall proceed to  
22 administer and enforce the tax or change in the rate as of the  
23 first day of January next following the filing.

24           (j) County Flood Prevention Occupation Tax Fund. All  
25 proceeds received by a county from a tax distribution under  
26 this Section must be maintained in a special fund known as the

1 [name of county] flood prevention occupation tax fund. The  
2 county shall, at the direction of the flood prevention  
3 district, use moneys in the fund to pay the costs of providing  
4 emergency levee repair and flood prevention and to pay bonds,  
5 notes, and other evidences of indebtedness issued under this  
6 Act.

7 (k) This Section may be cited as the Flood Prevention  
8 Occupation Tax Law.

9 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
10 101-604, eff. 12-13-19.)

11 Section 60-55. The Metro-East Park and Recreation District  
12 Act is amended by changing Section 30 as follows:

13 (70 ILCS 1605/30)

14 Sec. 30. Taxes.

15 (a) The board shall impose a tax upon all persons engaged  
16 in the business of selling tangible personal property, other  
17 than personal property titled or registered with an agency of  
18 this State's government, at retail in the District on the  
19 gross receipts from the sales made in the course of business.  
20 This tax shall be imposed only at the rate of one-tenth of one  
21 per cent.

22 This additional tax may not be imposed on tangible  
23 personal property taxed at the 1% rate under the Retailers'  
24 Occupation Tax Act (or at the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly). Beginning  
2 December 1, 2019 and through December 31, 2020, this tax is not  
3 imposed on sales of aviation fuel unless the tax revenue is  
4 expended for airport-related purposes. If the District does  
5 not have an airport-related purpose to which it dedicates  
6 aviation fuel tax revenue, then aviation fuel shall be  
7 excluded from tax. The board must comply with the  
8 certification requirements for airport-related purposes under  
9 Section 2-22 of the Retailers' Occupation Tax Act. For  
10 purposes of this Act, "airport-related purposes" has the  
11 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
12 Beginning January 1, 2021, this tax is not imposed on sales of  
13 aviation fuel for so long as the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
15 District. The tax imposed by the Board under this Section and  
16 all civil penalties that may be assessed as an incident of the  
17 tax shall be collected and enforced by the Department of  
18 Revenue. The certificate of registration that is issued by the  
19 Department to a retailer under the Retailers' Occupation Tax  
20 Act shall permit the retailer to engage in a business that is  
21 taxable without registering separately with the Department  
22 under an ordinance or resolution under this Section. The  
23 Department has full power to administer and enforce this  
24 Section, to collect all taxes and penalties due under this  
25 Section, to dispose of taxes and penalties so collected in the  
26 manner provided in this Section, and to determine all rights

1 to credit memoranda arising on account of the erroneous  
2 payment of a tax or penalty under this Section. In the  
3 administration of and compliance with this Section, the  
4 Department and persons who are subject to this Section shall  
5 (i) have the same rights, remedies, privileges, immunities,  
6 powers, and duties, (ii) be subject to the same conditions,  
7 restrictions, limitations, penalties, and definitions of  
8 terms, and (iii) employ the same modes of procedure as are  
9 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
10 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions  
11 contained in those Sections other than the State rate of tax),  
12 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions  
13 relating to transaction returns and quarter monthly payments,  
14 and except that the retailer's discount is not allowed for  
15 taxes paid on aviation fuel that are subject to the revenue use  
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
17 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
18 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
19 Occupation Tax Act and the Uniform Penalty and Interest Act as  
20 if those provisions were set forth in this Section.

21 Persons subject to any tax imposed under the authority  
22 granted in this Section may reimburse themselves for their  
23 sellers' tax liability by separately stating the tax as an  
24 additional charge, which charge may be stated in combination,  
25 in a single amount, with State tax which sellers are required  
26 to collect under the Use Tax Act, pursuant to such bracketed

1 schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be  
3 made under this Section to a claimant instead of issuing a  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the order to be drawn for the  
6 amount specified and to the person named in the notification  
7 from the Department. The refund shall be paid by the State  
8 Treasurer out of the State Metro-East Park and Recreation  
9 District Fund or the Local Government Aviation Trust Fund, as  
10 appropriate.

11 (b) If a tax has been imposed under subsection (a), a  
12 service occupation tax shall also be imposed at the same rate  
13 upon all persons engaged, in the District, in the business of  
14 making sales of service, who, as an incident to making those  
15 sales of service, transfer tangible personal property within  
16 the District as an incident to a sale of service. This tax may  
17 not be imposed on tangible personal property taxed at the 1%  
18 rate under the Service Occupation Tax Act (or at the 0% rate  
19 imposed under this amendatory Act of the 102nd General  
20 Assembly). Beginning December 1, 2019 and through December 31,  
21 2020, this tax may not be imposed on sales of aviation fuel  
22 unless the tax revenue is expended for airport-related  
23 purposes. If the District does not have an airport-related  
24 purpose to which it dedicates aviation fuel tax revenue, then  
25 aviation fuel shall be excluded from tax. The board must  
26 comply with the certification requirements for airport-related

1 purposes under Section 2-22 of the Retailers' Occupation Tax  
2 Act. For purposes of this Act, "airport-related purposes" has  
3 the meaning ascribed in Section 6z-20.2 of the State Finance  
4 Act. Beginning January 1, 2021, this tax is not imposed on  
5 sales of aviation fuel for so long as the revenue use  
6 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
7 binding on the District. The tax imposed under this subsection  
8 and all civil penalties that may be assessed as an incident  
9 thereof shall be collected and enforced by the Department of  
10 Revenue. The Department has full power to administer and  
11 enforce this subsection; to collect all taxes and penalties  
12 due hereunder; to dispose of taxes and penalties so collected  
13 in the manner hereinafter provided; and to determine all  
14 rights to credit memoranda arising on account of the erroneous  
15 payment of tax or penalty hereunder. In the administration of,  
16 and compliance with this subsection, the Department and  
17 persons who are subject to this paragraph shall (i) have the  
18 same rights, remedies, privileges, immunities, powers, and  
19 duties, (ii) be subject to the same conditions, restrictions,  
20 limitations, penalties, exclusions, exemptions, and  
21 definitions of terms, and (iii) employ the same modes of  
22 procedure as are prescribed in Sections 2 (except that the  
23 reference to State in the definition of supplier maintaining a  
24 place of business in this State shall mean the District), 2a,  
25 2b, 2c, 3 through 3-50 (in respect to all provisions therein  
26 other than the State rate of tax), 4 (except that the reference

1 to the State shall be to the District), 5, 7, 8 (except that  
2 the jurisdiction to which the tax shall be a debt to the extent  
3 indicated in that Section 8 shall be the District), 9 (except  
4 as to the disposition of taxes and penalties collected, and  
5 except that the retailer's discount is not allowed for taxes  
6 paid on aviation fuel that are subject to the revenue use  
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
8 11, 12 (except the reference therein to Section 2b of the  
9 Retailers' Occupation Tax Act), 13 (except that any reference  
10 to the State shall mean the District), Sections 15, 16, 17, 18,  
11 19 and 20 of the Service Occupation Tax Act and the Uniform  
12 Penalty and Interest Act, as fully as if those provisions were  
13 set forth herein.

14 Persons subject to any tax imposed under the authority  
15 granted in this subsection may reimburse themselves for their  
16 serviceman's tax liability by separately stating the tax as an  
17 additional charge, which charge may be stated in combination,  
18 in a single amount, with State tax that servicemen are  
19 authorized to collect under the Service Use Tax Act, in  
20 accordance with such bracket schedules as the Department may  
21 prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this subsection to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the warrant to be drawn for the  
26 amount specified, and to the person named, in the notification



1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the State Metro-East Park and Recreation  
3 District Fund or the Local Government Aviation Trust Fund, as  
4 appropriate.

5 Nothing in this subsection shall be construed to authorize  
6 the board to impose a tax upon the privilege of engaging in any  
7 business which under the Constitution of the United States may  
8 not be made the subject of taxation by the State.

9 (c) Except as otherwise provided in this paragraph, the  
10 Department shall immediately pay over to the State Treasurer,  
11 ex officio, as trustee, all taxes and penalties collected  
12 under this Section to be deposited into the State Metro-East  
13 Park and Recreation District Fund, which shall be an  
14 unappropriated trust fund held outside of the State treasury.  
15 Taxes and penalties collected on aviation fuel sold on or  
16 after December 1, 2019 and through December 31, 2020, shall be  
17 immediately paid over by the Department to the State  
18 Treasurer, ex officio, as trustee, for deposit into the Local  
19 Government Aviation Trust Fund. The Department shall only pay  
20 moneys into the Local Government Aviation Trust Fund under  
21 this Act for so long as the revenue use requirements of 49  
22 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
23 District.

24 As soon as possible after the first day of each month,  
25 beginning January 1, 2011, upon certification of the  
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR  
2 Bonds Revenue Fund the local sales tax increment, as defined  
3 in the Innovation Development and Economy Act, collected under  
4 this Section during the second preceding calendar month for  
5 sales within a STAR bond district. The Department shall make  
6 this certification only if the Metro East Park and Recreation  
7 District imposes a tax on real property as provided in the  
8 definition of "local sales taxes" under the Innovation  
9 Development and Economy Act.

10 After the monthly transfer to the STAR Bonds Revenue Fund,  
11 on or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money pursuant to Section 35 of  
14 this Act to the District from which retailers have paid taxes  
15 or penalties to the Department during the second preceding  
16 calendar month. The amount to be paid to the District shall be  
17 the amount (not including credit memoranda and not including  
18 taxes and penalties collected on aviation fuel sold on or  
19 after December 1, 2019 and through December 31, 2020)  
20 collected under this Section during the second preceding  
21 calendar month by the Department plus an amount the Department  
22 determines is necessary to offset any amounts that were  
23 erroneously paid to a different taxing body, and not including  
24 (i) an amount equal to the amount of refunds made during the  
25 second preceding calendar month by the Department on behalf of  
26 the District, (ii) any amount that the Department determines

1 is necessary to offset any amounts that were payable to a  
2 different taxing body but were erroneously paid to the  
3 District, (iii) any amounts that are transferred to the STAR  
4 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the  
5 Department shall transfer into the Tax Compliance and  
6 Administration Fund. The Department, at the time of each  
7 monthly disbursement to the District, shall prepare and  
8 certify to the State Comptroller the amount to be transferred  
9 into the Tax Compliance and Administration Fund under this  
10 subsection. Within 10 days after receipt by the Comptroller of  
11 the disbursement certification to the District and the Tax  
12 Compliance and Administration Fund provided for in this  
13 Section to be given to the Comptroller by the Department, the  
14 Comptroller shall cause the orders to be drawn for the  
15 respective amounts in accordance with directions contained in  
16 the certification.

17 (d) For the purpose of determining whether a tax  
18 authorized under this Section is applicable, a retail sale by  
19 a producer of coal or another mineral mined in Illinois is a  
20 sale at retail at the place where the coal or other mineral  
21 mined in Illinois is extracted from the earth. This paragraph  
22 does not apply to coal or another mineral when it is delivered  
23 or shipped by the seller to the purchaser at a point outside  
24 Illinois so that the sale is exempt under the United States  
25 Constitution as a sale in interstate or foreign commerce.

26 (e) Nothing in this Section shall be construed to

1 authorize the board to impose a tax upon the privilege of  
2 engaging in any business that under the Constitution of the  
3 United States may not be made the subject of taxation by this  
4 State.

5 (f) An ordinance imposing a tax under this Section or an  
6 ordinance extending the imposition of a tax to an additional  
7 county or counties shall be certified by the board and filed  
8 with the Department of Revenue either (i) on or before the  
9 first day of April, whereupon the Department shall proceed to  
10 administer and enforce the tax as of the first day of July next  
11 following the filing; or (ii) on or before the first day of  
12 October, whereupon the Department shall proceed to administer  
13 and enforce the tax as of the first day of January next  
14 following the filing.

15 (g) When certifying the amount of a monthly disbursement  
16 to the District under this Section, the Department shall  
17 increase or decrease the amounts by an amount necessary to  
18 offset any misallocation of previous disbursements. The offset  
19 amount shall be the amount erroneously disbursed within the  
20 previous 6 months from the time a misallocation is discovered.

21 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
22 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
23 7-12-19; 101-604, eff. 12-13-19.)

24 Section 60-60. The Regional Transportation Authority Act  
25 is amended by changing Section 4.03 as follows:

1 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

2 Sec. 4.03. Taxes.

3 (a) In order to carry out any of the powers or purposes of  
4 the Authority, the Board may by ordinance adopted with the  
5 concurrence of 12 of the then Directors, impose throughout the  
6 metropolitan region any or all of the taxes provided in this  
7 Section. Except as otherwise provided in this Act, taxes  
8 imposed under this Section and civil penalties imposed  
9 incident thereto shall be collected and enforced by the State  
10 Department of Revenue. The Department shall have the power to  
11 administer and enforce the taxes and to determine all rights  
12 for refunds for erroneous payments of the taxes. Nothing in  
13 Public Act 95-708 is intended to invalidate any taxes  
14 currently imposed by the Authority. The increased vote  
15 requirements to impose a tax shall only apply to actions taken  
16 after January 1, 2008 (the effective date of Public Act  
17 95-708).

18 (b) The Board may impose a public transportation tax upon  
19 all persons engaged in the metropolitan region in the business  
20 of selling at retail motor fuel for operation of motor  
21 vehicles upon public highways. The tax shall be at a rate not  
22 to exceed 5% of the gross receipts from the sales of motor fuel  
23 in the course of the business. As used in this Act, the term  
24 "motor fuel" shall have the same meaning as in the Motor Fuel  
25 Tax Law. The Board may provide for details of the tax. The

1 provisions of any tax shall conform, as closely as may be  
2 practicable, to the provisions of the Municipal Retailers  
3 Occupation Tax Act, including without limitation, conformity  
4 to penalties with respect to the tax imposed and as to the  
5 powers of the State Department of Revenue to promulgate and  
6 enforce rules and regulations relating to the administration  
7 and enforcement of the provisions of the tax imposed, except  
8 that reference in the Act to any municipality shall refer to  
9 the Authority and the tax shall be imposed only with regard to  
10 receipts from sales of motor fuel in the metropolitan region,  
11 at rates as limited by this Section.

12 (c) In connection with the tax imposed under paragraph (b)  
13 of this Section, the Board may impose a tax upon the privilege  
14 of using in the metropolitan region motor fuel for the  
15 operation of a motor vehicle upon public highways, the tax to  
16 be at a rate not in excess of the rate of tax imposed under  
17 paragraph (b) of this Section. The Board may provide for  
18 details of the tax.

19 (d) The Board may impose a motor vehicle parking tax upon  
20 the privilege of parking motor vehicles at off-street parking  
21 facilities in the metropolitan region at which a fee is  
22 charged, and may provide for reasonable classifications in and  
23 exemptions to the tax, for administration and enforcement  
24 thereof and for civil penalties and refunds thereunder and may  
25 provide criminal penalties thereunder, the maximum penalties  
26 not to exceed the maximum criminal penalties provided in the

1 Retailers' Occupation Tax Act. The Authority may collect and  
2 enforce the tax itself or by contract with any unit of local  
3 government. The State Department of Revenue shall have no  
4 responsibility for the collection and enforcement unless the  
5 Department agrees with the Authority to undertake the  
6 collection and enforcement. As used in this paragraph, the  
7 term "parking facility" means a parking area or structure  
8 having parking spaces for more than 2 vehicles at which motor  
9 vehicles are permitted to park in return for an hourly, daily,  
10 or other periodic fee, whether publicly or privately owned,  
11 but does not include parking spaces on a public street, the use  
12 of which is regulated by parking meters.

13 (e) The Board may impose a Regional Transportation  
14 Authority Retailers' Occupation Tax upon all persons engaged  
15 in the business of selling tangible personal property at  
16 retail in the metropolitan region. In Cook County, the tax  
17 rate shall be 1.25% of the gross receipts from sales of  
18 tangible personal property taxed at the 1% rate under the  
19 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
20 this amendatory Act of the 102nd General Assembly), and 1% of  
21 the gross receipts from other taxable sales made in the course  
22 of that business. In DuPage, Kane, Lake, McHenry, and Will  
23 counties, the tax rate shall be 0.75% of the gross receipts  
24 from all taxable sales made in the course of that business. The  
25 rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will  
26 counties under this Section on sales of aviation fuel on or

1 after December 1, 2019 shall, however, be 0.25% unless the  
2 Regional Transportation Authority in DuPage, Kane, Lake,  
3 McHenry, and Will counties has an "airport-related purpose"  
4 and the additional 0.50% of the 0.75% tax on aviation fuel is  
5 expended for airport-related purposes. If there is no  
6 airport-related purpose to which aviation fuel tax revenue is  
7 dedicated, then aviation fuel is excluded from the additional  
8 0.50% of the 0.75% tax. The tax imposed under this Section and  
9 all civil penalties that may be assessed as an incident  
10 thereof shall be collected and enforced by the State  
11 Department of Revenue. The Department shall have full power to  
12 administer and enforce this Section; to collect all taxes and  
13 penalties so collected in the manner hereinafter provided; and  
14 to determine all rights to credit memoranda arising on account  
15 of the erroneous payment of tax or penalty hereunder. In the  
16 administration of, and compliance with this Section, the  
17 Department and persons who are subject to this Section shall  
18 have the same rights, remedies, privileges, immunities,  
19 powers, and duties, and be subject to the same conditions,  
20 restrictions, limitations, penalties, exclusions, exemptions,  
21 and definitions of terms, and employ the same modes of  
22 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
23 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
24 therein other than the State rate of tax), 2c, 3 (except as to  
25 the disposition of taxes and penalties collected, and except  
26 that the retailer's discount is not allowed for taxes paid on



1 aviation fuel that are subject to the revenue use requirements  
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
3 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
4 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and  
5 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
6 as if those provisions were set forth herein.

7 The Board and DuPage, Kane, Lake, McHenry, and Will  
8 counties must comply with the certification requirements for  
9 airport-related purposes under Section 2-22 of the Retailers'  
10 Occupation Tax Act. For purposes of this Section,  
11 "airport-related purposes" has the meaning ascribed in Section  
12 6z-20.2 of the State Finance Act. This exclusion for aviation  
13 fuel only applies for so long as the revenue use requirements  
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
15 Authority.

16 Persons subject to any tax imposed under the authority  
17 granted in this Section may reimburse themselves for their  
18 seller's tax liability hereunder by separately stating the tax  
19 as an additional charge, which charge may be stated in  
20 combination in a single amount with State taxes that sellers  
21 are required to collect under the Use Tax Act, under any  
22 bracket schedules the Department may prescribe.

23 Whenever the Department determines that a refund should be  
24 made under this Section to a claimant instead of issuing a  
25 credit memorandum, the Department shall notify the State  
26 Comptroller, who shall cause the warrant to be drawn for the

1 amount specified, and to the person named, in the notification  
2 from the Department. The refund shall be paid by the State  
3 Treasurer out of the Regional Transportation Authority tax  
4 fund established under paragraph (n) of this Section or the  
5 Local Government Aviation Trust Fund, as appropriate.

6 If a tax is imposed under this subsection (e), a tax shall  
7 also be imposed under subsections (f) and (g) of this Section.

8 For the purpose of determining whether a tax authorized  
9 under this Section is applicable, a retail sale by a producer  
10 of coal or other mineral mined in Illinois, is a sale at retail  
11 at the place where the coal or other mineral mined in Illinois  
12 is extracted from the earth. This paragraph does not apply to  
13 coal or other mineral when it is delivered or shipped by the  
14 seller to the purchaser at a point outside Illinois so that the  
15 sale is exempt under the Federal Constitution as a sale in  
16 interstate or foreign commerce.

17 No tax shall be imposed or collected under this subsection  
18 on the sale of a motor vehicle in this State to a resident of  
19 another state if that motor vehicle will not be titled in this  
20 State.

21 Nothing in this Section shall be construed to authorize  
22 the Regional Transportation Authority to impose a tax upon the  
23 privilege of engaging in any business that under the  
24 Constitution of the United States may not be made the subject  
25 of taxation by this State.

26 (f) If a tax has been imposed under paragraph (e), a

1 Regional Transportation Authority Service Occupation Tax shall  
2 also be imposed upon all persons engaged, in the metropolitan  
3 region in the business of making sales of service, who as an  
4 incident to making the sales of service, transfer tangible  
5 personal property within the metropolitan region, either in  
6 the form of tangible personal property or in the form of real  
7 estate as an incident to a sale of service. In Cook County, the  
8 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
9 food prepared for immediate consumption and transferred  
10 incident to a sale of service subject to the service  
11 occupation tax by an entity licensed under the Hospital  
12 Licensing Act, the Nursing Home Care Act, the Specialized  
13 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
14 Care Act, or the MC/DD Act that is located in the metropolitan  
15 region; (2) 1.25% of the selling price of tangible personal  
16 property taxed at the 1% rate under the Service Occupation Tax  
17 Act (or at the 0% rate imposed under this amendatory Act of the  
18 102nd General Assembly); and (3) 1% of the selling price from  
19 other taxable sales of tangible personal property transferred.  
20 In DuPage, Kane, Lake, McHenry, and Will counties, the rate  
21 shall be 0.75% of the selling price of all tangible personal  
22 property transferred. The rate of tax imposed in DuPage, Kane,  
23 Lake, McHenry, and Will counties under this Section on sales  
24 of aviation fuel on or after December 1, 2019 shall, however,  
25 be 0.25% unless the Regional Transportation Authority in  
26 DuPage, Kane, Lake, McHenry, and Will counties has an

1 "airport-related purpose" and the additional 0.50% of the  
2 0.75% tax on aviation fuel is expended for airport-related  
3 purposes. If there is no airport-related purpose to which  
4 aviation fuel tax revenue is dedicated, then aviation fuel is  
5 excluded from the additional 0.5% of the 0.75% tax.

6 The Board and DuPage, Kane, Lake, McHenry, and Will  
7 counties must comply with the certification requirements for  
8 airport-related purposes under Section 2-22 of the Retailers'  
9 Occupation Tax Act. For purposes of this Section,  
10 "airport-related purposes" has the meaning ascribed in Section  
11 6z-20.2 of the State Finance Act. This exclusion for aviation  
12 fuel only applies for so long as the revenue use requirements  
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
14 Authority.

15 The tax imposed under this paragraph and all civil  
16 penalties that may be assessed as an incident thereof shall be  
17 collected and enforced by the State Department of Revenue. The  
18 Department shall have full power to administer and enforce  
19 this paragraph; to collect all taxes and penalties due  
20 hereunder; to dispose of taxes and penalties collected in the  
21 manner hereinafter provided; and to determine all rights to  
22 credit memoranda arising on account of the erroneous payment  
23 of tax or penalty hereunder. In the administration of and  
24 compliance with this paragraph, the Department and persons who  
25 are subject to this paragraph shall have the same rights,  
26 remedies, privileges, immunities, powers, and duties, and be

1 subject to the same conditions, restrictions, limitations,  
2 penalties, exclusions, exemptions, and definitions of terms,  
3 and employ the same modes of procedure, as are prescribed in  
4 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
5 provisions therein other than the State rate of tax), 4  
6 (except that the reference to the State shall be to the  
7 Authority), 5, 7, 8 (except that the jurisdiction to which the  
8 tax shall be a debt to the extent indicated in that Section 8  
9 shall be the Authority), 9 (except as to the disposition of  
10 taxes and penalties collected, and except that the returned  
11 merchandise credit for this tax may not be taken against any  
12 State tax, and except that the retailer's discount is not  
13 allowed for taxes paid on aviation fuel that are subject to the  
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
15 47133), 10, 11, 12 (except the reference therein to Section 2b  
16 of the Retailers' Occupation Tax Act), 13 (except that any  
17 reference to the State shall mean the Authority), the first  
18 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service  
19 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
20 Interest Act, as fully as if those provisions were set forth  
21 herein.

22 Persons subject to any tax imposed under the authority  
23 granted in this paragraph may reimburse themselves for their  
24 serviceman's tax liability hereunder by separately stating the  
25 tax as an additional charge, that charge may be stated in  
26 combination in a single amount with State tax that servicemen

1 are authorized to collect under the Service Use Tax Act, under  
2 any bracket schedules the Department may prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this paragraph to a claimant instead of issuing a  
5 credit memorandum, the Department shall notify the State  
6 Comptroller, who shall cause the warrant to be drawn for the  
7 amount specified, and to the person named in the notification  
8 from the Department. The refund shall be paid by the State  
9 Treasurer out of the Regional Transportation Authority tax  
10 fund established under paragraph (n) of this Section or the  
11 Local Government Aviation Trust Fund, as appropriate.

12 Nothing in this paragraph shall be construed to authorize  
13 the Authority to impose a tax upon the privilege of engaging in  
14 any business that under the Constitution of the United States  
15 may not be made the subject of taxation by the State.

16 (g) If a tax has been imposed under paragraph (e), a tax  
17 shall also be imposed upon the privilege of using in the  
18 metropolitan region, any item of tangible personal property  
19 that is purchased outside the metropolitan region at retail  
20 from a retailer, and that is titled or registered with an  
21 agency of this State's government. In Cook County, the tax  
22 rate shall be 1% of the selling price of the tangible personal  
23 property, as "selling price" is defined in the Use Tax Act. In  
24 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate  
25 shall be 0.75% of the selling price of the tangible personal  
26 property, as "selling price" is defined in the Use Tax Act. The

1 tax shall be collected from persons whose Illinois address for  
2 titling or registration purposes is given as being in the  
3 metropolitan region. The tax shall be collected by the  
4 Department of Revenue for the Regional Transportation  
5 Authority. The tax must be paid to the State, or an exemption  
6 determination must be obtained from the Department of Revenue,  
7 before the title or certificate of registration for the  
8 property may be issued. The tax or proof of exemption may be  
9 transmitted to the Department by way of the State agency with  
10 which, or the State officer with whom, the tangible personal  
11 property must be titled or registered if the Department and  
12 the State agency or State officer determine that this  
13 procedure will expedite the processing of applications for  
14 title or registration.

15 The Department shall have full power to administer and  
16 enforce this paragraph; to collect all taxes, penalties, and  
17 interest due hereunder; to dispose of taxes, penalties, and  
18 interest collected in the manner hereinafter provided; and to  
19 determine all rights to credit memoranda or refunds arising on  
20 account of the erroneous payment of tax, penalty, or interest  
21 hereunder. In the administration of and compliance with this  
22 paragraph, the Department and persons who are subject to this  
23 paragraph shall have the same rights, remedies, privileges,  
24 immunities, powers, and duties, and be subject to the same  
25 conditions, restrictions, limitations, penalties, exclusions,  
26 exemptions, and definitions of terms and employ the same modes

1 of procedure, as are prescribed in Sections 2 (except the  
2 definition of "retailer maintaining a place of business in  
3 this State"), 3 through 3-80 (except provisions pertaining to  
4 the State rate of tax, and except provisions concerning  
5 collection or refunding of the tax by retailers), 4, 11, 12,  
6 12a, 14, 15, 19 (except the portions pertaining to claims by  
7 retailers and except the last paragraph concerning refunds),  
8 20, 21, and 22 of the Use Tax Act, and are not inconsistent  
9 with this paragraph, as fully as if those provisions were set  
10 forth herein.

11 Whenever the Department determines that a refund should be  
12 made under this paragraph to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified, and to the person named in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the Regional Transportation Authority tax  
18 fund established under paragraph (n) of this Section.

19 (h) The Authority may impose a replacement vehicle tax of  
20 \$50 on any passenger car as defined in Section 1-157 of the  
21 Illinois Vehicle Code purchased within the metropolitan region  
22 by or on behalf of an insurance company to replace a passenger  
23 car of an insured person in settlement of a total loss claim.  
24 The tax imposed may not become effective before the first day  
25 of the month following the passage of the ordinance imposing  
26 the tax and receipt of a certified copy of the ordinance by the



1 Department of Revenue. The Department of Revenue shall collect  
2 the tax for the Authority in accordance with Sections 3-2002  
3 and 3-2003 of the Illinois Vehicle Code.

4 The Department shall immediately pay over to the State  
5 Treasurer, ex officio, as trustee, all taxes collected  
6 hereunder.

7 As soon as possible after the first day of each month,  
8 beginning January 1, 2011, upon certification of the  
9 Department of Revenue, the Comptroller shall order  
10 transferred, and the Treasurer shall transfer, to the STAR  
11 Bonds Revenue Fund the local sales tax increment, as defined  
12 in the Innovation Development and Economy Act, collected under  
13 this Section during the second preceding calendar month for  
14 sales within a STAR bond district.

15 After the monthly transfer to the STAR Bonds Revenue Fund,  
16 on or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to the Authority. The  
19 amount to be paid to the Authority shall be the amount  
20 collected hereunder during the second preceding calendar month  
21 by the Department, less any amount determined by the  
22 Department to be necessary for the payment of refunds, and  
23 less any amounts that are transferred to the STAR Bonds  
24 Revenue Fund. Within 10 days after receipt by the Comptroller  
25 of the disbursement certification to the Authority provided  
26 for in this Section to be given to the Comptroller by the

1 Department, the Comptroller shall cause the orders to be drawn  
2 for that amount in accordance with the directions contained in  
3 the certification.

4 (i) The Board may not impose any other taxes except as it  
5 may from time to time be authorized by law to impose.

6 (j) A certificate of registration issued by the State  
7 Department of Revenue to a retailer under the Retailers'  
8 Occupation Tax Act or under the Service Occupation Tax Act  
9 shall permit the registrant to engage in a business that is  
10 taxed under the tax imposed under paragraphs (b), (e), (f) or  
11 (g) of this Section and no additional registration shall be  
12 required under the tax. A certificate issued under the Use Tax  
13 Act or the Service Use Tax Act shall be applicable with regard  
14 to any tax imposed under paragraph (c) of this Section.

15 (k) The provisions of any tax imposed under paragraph (c)  
16 of this Section shall conform as closely as may be practicable  
17 to the provisions of the Use Tax Act, including without  
18 limitation conformity as to penalties with respect to the tax  
19 imposed and as to the powers of the State Department of Revenue  
20 to promulgate and enforce rules and regulations relating to  
21 the administration and enforcement of the provisions of the  
22 tax imposed. The taxes shall be imposed only on use within the  
23 metropolitan region and at rates as provided in the paragraph.

24 (l) The Board in imposing any tax as provided in  
25 paragraphs (b) and (c) of this Section, shall, after seeking  
26 the advice of the State Department of Revenue, provide means

1 for retailers, users or purchasers of motor fuel for purposes  
2 other than those with regard to which the taxes may be imposed  
3 as provided in those paragraphs to receive refunds of taxes  
4 improperly paid, which provisions may be at variance with the  
5 refund provisions as applicable under the Municipal Retailers  
6 Occupation Tax Act. The State Department of Revenue may  
7 provide for certificates of registration for users or  
8 purchasers of motor fuel for purposes other than those with  
9 regard to which taxes may be imposed as provided in paragraphs  
10 (b) and (c) of this Section to facilitate the reporting and  
11 nontaxability of the exempt sales or uses.

12 (m) Any ordinance imposing or discontinuing any tax under  
13 this Section shall be adopted and a certified copy thereof  
14 filed with the Department on or before June 1, whereupon the  
15 Department of Revenue shall proceed to administer and enforce  
16 this Section on behalf of the Regional Transportation  
17 Authority as of September 1 next following such adoption and  
18 filing. Beginning January 1, 1992, an ordinance or resolution  
19 imposing or discontinuing the tax hereunder shall be adopted  
20 and a certified copy thereof filed with the Department on or  
21 before the first day of July, whereupon the Department shall  
22 proceed to administer and enforce this Section as of the first  
23 day of October next following such adoption and filing.  
24 Beginning January 1, 1993, an ordinance or resolution  
25 imposing, increasing, decreasing, or discontinuing the tax  
26 hereunder shall be adopted and a certified copy thereof filed

1 with the Department, whereupon the Department shall proceed to  
2 administer and enforce this Section as of the first day of the  
3 first month to occur not less than 60 days following such  
4 adoption and filing. Any ordinance or resolution of the  
5 Authority imposing a tax under this Section and in effect on  
6 August 1, 2007 shall remain in full force and effect and shall  
7 be administered by the Department of Revenue under the terms  
8 and conditions and rates of tax established by such ordinance  
9 or resolution until the Department begins administering and  
10 enforcing an increased tax under this Section as authorized by  
11 Public Act 95-708. The tax rates authorized by Public Act  
12 95-708 are effective only if imposed by ordinance of the  
13 Authority.

14 (n) Except as otherwise provided in this subsection (n),  
15 the State Department of Revenue shall, upon collecting any  
16 taxes as provided in this Section, pay the taxes over to the  
17 State Treasurer as trustee for the Authority. The taxes shall  
18 be held in a trust fund outside the State Treasury. If an  
19 airport-related purpose has been certified, taxes and  
20 penalties collected in DuPage, Kane, Lake, McHenry and Will  
21 counties on aviation fuel sold on or after December 1, 2019  
22 from the 0.50% of the 0.75% rate shall be immediately paid over  
23 by the Department to the State Treasurer, ex officio, as  
24 trustee, for deposit into the Local Government Aviation Trust  
25 Fund. The Department shall only pay moneys into the Local  
26 Government Aviation Trust Fund under this Act for so long as

1 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
2 U.S.C. 47133 are binding on the Authority. On or before the  
3 25th day of each calendar month, the State Department of  
4 Revenue shall prepare and certify to the Comptroller of the  
5 State of Illinois and to the Authority (i) the amount of taxes  
6 collected in each county other than Cook County in the  
7 metropolitan region, (not including, if an airport-related  
8 purpose has been certified, the taxes and penalties collected  
9 from the 0.50% of the 0.75% rate on aviation fuel sold on or  
10 after December 1, 2019 that are deposited into the Local  
11 Government Aviation Trust Fund) (ii) the amount of taxes  
12 collected within the City of Chicago, and (iii) the amount  
13 collected in that portion of Cook County outside of Chicago,  
14 each amount less the amount necessary for the payment of  
15 refunds to taxpayers located in those areas described in items  
16 (i), (ii), and (iii), and less 1.5% of the remainder, which  
17 shall be transferred from the trust fund into the Tax  
18 Compliance and Administration Fund. The Department, at the  
19 time of each monthly disbursement to the Authority, shall  
20 prepare and certify to the State Comptroller the amount to be  
21 transferred into the Tax Compliance and Administration Fund  
22 under this subsection. Within 10 days after receipt by the  
23 Comptroller of the certification of the amounts, the  
24 Comptroller shall cause an order to be drawn for the transfer  
25 of the amount certified into the Tax Compliance and  
26 Administration Fund and the payment of two-thirds of the

1 amounts certified in item (i) of this subsection to the  
2 Authority and one-third of the amounts certified in item (i)  
3 of this subsection to the respective counties other than Cook  
4 County and the amount certified in items (ii) and (iii) of this  
5 subsection to the Authority.

6 In addition to the disbursement required by the preceding  
7 paragraph, an allocation shall be made in July 1991 and each  
8 year thereafter to the Regional Transportation Authority. The  
9 allocation shall be made in an amount equal to the average  
10 monthly distribution during the preceding calendar year  
11 (excluding the 2 months of lowest receipts) and the allocation  
12 shall include the amount of average monthly distribution from  
13 the Regional Transportation Authority Occupation and Use Tax  
14 Replacement Fund. The distribution made in July 1992 and each  
15 year thereafter under this paragraph and the preceding  
16 paragraph shall be reduced by the amount allocated and  
17 disbursed under this paragraph in the preceding calendar year.  
18 The Department of Revenue shall prepare and certify to the  
19 Comptroller for disbursement the allocations made in  
20 accordance with this paragraph.

21 (o) Failure to adopt a budget ordinance or otherwise to  
22 comply with Section 4.01 of this Act or to adopt a Five-year  
23 Capital Program or otherwise to comply with paragraph (b) of  
24 Section 2.01 of this Act shall not affect the validity of any  
25 tax imposed by the Authority otherwise in conformity with law.

26 (p) At no time shall a public transportation tax or motor

1 vehicle parking tax authorized under paragraphs (b), (c), and  
2 (d) of this Section be in effect at the same time as any  
3 retailers' occupation, use or service occupation tax  
4 authorized under paragraphs (e), (f), and (g) of this Section  
5 is in effect.

6 Any taxes imposed under the authority provided in  
7 paragraphs (b), (c), and (d) shall remain in effect only until  
8 the time as any tax authorized by paragraph (e), (f), or (g) of  
9 this Section are imposed and becomes effective. Once any tax  
10 authorized by paragraph (e), (f), or (g) is imposed the Board  
11 may not reimpose taxes as authorized in paragraphs (b), (c),  
12 and (d) of the Section unless any tax authorized by paragraph  
13 (e), (f), or (g) of this Section becomes ineffective by means  
14 other than an ordinance of the Board.

15 (q) Any existing rights, remedies and obligations  
16 (including enforcement by the Regional Transportation  
17 Authority) arising under any tax imposed under paragraph (b),  
18 (c), or (d) of this Section shall not be affected by the  
19 imposition of a tax under paragraph (e), (f), or (g) of this  
20 Section.

21 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
22 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
23 7-12-19; 101-604, eff. 12-13-19.)

1 Section 65-5. The Use Tax Act is amended by changing  
2 Sections 3-6, 3-10 and 9 as follows:

3 (35 ILCS 105/3-6)

4 Sec. 3-6. Sales tax holiday items.

5 (a) Any ~~The~~ tangible personal property described in this  
6 subsection is a sales tax holiday item and qualifies for the  
7 1.25% reduced rate of tax for the period set forth in Section  
8 3-10 of this Act (hereinafter referred to as the Sales Tax  
9 Holiday Period). The reduced rate on these items shall be  
10 administered under the provisions of subsection (b) of this  
11 Section. The following items are subject to the reduced rate:

12 (1) Clothing items that each have a retail selling  
13 price of less than \$125 ~~\$100~~.

14 "Clothing" means, unless otherwise specified in this  
15 Section, all human wearing apparel suitable for general  
16 use. "Clothing" does not include clothing accessories,  
17 protective equipment, or sport or recreational equipment.  
18 "Clothing" includes, but is not limited to: household and  
19 shop aprons; athletic supporters; bathing suits and caps;  
20 belts and suspenders; boots; coats and jackets; ear muffs;  
21 footlets; gloves and mittens for general use; hats and  
22 caps; hosiery; insoles for shoes; lab coats; neckties;  
23 overshoes; pantyhose; rainwear; rubber pants; sandals;  
24 scarves; shoes and shoelaces; slippers; sneakers; socks  
25 and stockings; steel-toed shoes; underwear; and school



1 uniforms.

2 "Clothing accessories" means, but is not limited to:  
3 briefcases; cosmetics; hair notions, including, but not  
4 limited to barrettes, hair bows, and hair nets; handbags;  
5 handkerchiefs; jewelry; non-prescription sunglasses;  
6 umbrellas; wallets; watches; and wigs and hair pieces.

7 "Protective equipment" means, but is not limited to:  
8 breathing masks; clean room apparel and equipment; ear and  
9 hearing protectors; face shields; hard hats; helmets;  
10 paint or dust respirators; protective gloves; safety  
11 glasses and goggles; safety belts; tool belts; and  
12 welder's gloves and masks.

13 "Sport or recreational equipment" means, but is not  
14 limited to: ballet and tap shoes; cleated or spiked  
15 athletic shoes; gloves, including, but not limited to,  
16 baseball, bowling, boxing, hockey, and golf gloves;  
17 goggles; hand and elbow guards; life preservers and vests;  
18 mouth guards; roller and ice skates; shin guards; shoulder  
19 pads; ski boots; waders; and wetsuits and fins.

20 (2) School supplies. "School supplies" means, unless  
21 otherwise specified in this Section, items used by a  
22 student in a course of study. The purchase of school  
23 supplies for use by persons other than students for use in  
24 a course of study are not eligible for the reduced rate of  
25 tax. "School supplies" do not include school art supplies;  
26 school instructional materials; cameras; film and memory

1 cards; videocameras, tapes, and videotapes; computers;  
2 cell phones; Personal Digital Assistants (PDAs); handheld  
3 electronic schedulers; and school computer supplies.

4 "School supplies" includes, but is not limited to:  
5 binders; book bags; calculators; cellophane tape;  
6 blackboard chalk; compasses; composition books; crayons;  
7 erasers; expandable, pocket, plastic, and manila folders;  
8 glue, paste, and paste sticks; highlighters; index cards;  
9 index card boxes; legal pads; lunch boxes; markers;  
10 notebooks; paper, including loose leaf ruled notebook  
11 paper, copy paper, graph paper, tracing paper, manila  
12 paper, colored paper, poster board, and construction  
13 paper; pencils; pencil leads; pens; ink and ink refills  
14 for pens; pencil boxes and other school supply boxes;  
15 pencil sharpeners; protractors; rulers; scissors; and  
16 writing tablets.

17 "School art supply" means an item commonly used by a  
18 student in a course of study for artwork and includes only  
19 the following items: clay and glazes; acrylic, tempera,  
20 and oil paint; paintbrushes for artwork; sketch and  
21 drawing pads; and watercolors.

22 "School instructional material" means written material  
23 commonly used by a student in a course of study as a  
24 reference and to learn the subject being taught and  
25 includes only the following items: reference books;  
26 reference maps and globes; textbooks; and workbooks.

1           "School computer supply" means an item commonly used  
2           by a student in a course of study in which a computer is  
3           used and applies only to the following items: flashdrives  
4           and other computer data storage devices; data storage  
5           media, such as diskettes and compact disks; boxes and  
6           cases for disk storage; external ports or drives; computer  
7           cases; computer cables; computer printers; and printer  
8           cartridges, toner, and ink.

9           (b) Administration. Notwithstanding any other provision of  
10          this Act, the reduced rate of tax under Section 3-10 of this  
11          Act for clothing and school supplies shall be administered by  
12          the Department under the provisions of this subsection (b).

13           (1) Bundled sales. Items that qualify for the reduced  
14          rate of tax that are bundled together with items that do  
15          not qualify for the reduced rate of tax and that are sold  
16          for one itemized price will be subject to the reduced rate  
17          of tax only if the value of the items that qualify for the  
18          reduced rate of tax exceeds the value of the items that do  
19          not qualify for the reduced rate of tax.

20           (2) Coupons and discounts. An unreimbursed discount by  
21          the seller reduces the sales price of the property so that  
22          the discounted sales price determines whether the sales  
23          price is within a sales tax holiday price threshold. A  
24          coupon or other reduction in the sales price is treated as  
25          a discount if the seller is not reimbursed for the coupon  
26          or reduction amount by a third party.

1           (3) Splitting of items normally sold together.  
2           Articles that are normally sold as a single unit must  
3           continue to be sold in that manner. Such articles cannot  
4           be priced separately and sold as individual items in order  
5           to obtain the reduced rate of tax. For example, a pair of  
6           shoes cannot have each shoe sold separately so that the  
7           sales price of each shoe is within a sales tax holiday  
8           price threshold.

9           (4) Rain checks. A rain check is a procedure that  
10          allows a customer to purchase an item at a certain price at  
11          a later time because the particular item was out of stock.  
12          Eligible property that customers purchase during the Sales  
13          Tax Holiday Period with the use of a rain check will  
14          qualify for the reduced rate of tax regardless of when the  
15          rain check was issued. Issuance of a rain check during the  
16          Sales Tax Holiday Period will not qualify eligible  
17          property for the reduced rate of tax if the property is  
18          actually purchased after the Sales Tax Holiday Period.

19          (5) Exchanges. The procedure for an exchange in  
20          regards to a sales tax holiday is as follows:

21                 (A) If a customer purchases an item of eligible  
22                 property during the Sales Tax Holiday Period, but  
23                 later exchanges the item for a similar eligible item,  
24                 even if a different size, different color, or other  
25                 feature, no additional tax is due even if the exchange  
26                 is made after the Sales Tax Holiday Period.

1 (B) If a customer purchases an item of eligible  
2 property during the Sales Tax Holiday Period, but  
3 after the Sales Tax Holiday Period has ended, the  
4 customer returns the item and receives credit on the  
5 purchase of a different item, the 6.25% general  
6 merchandise sales tax rate is due on the sale of the  
7 newly purchased item.

8 (C) If a customer purchases an item of eligible  
9 property before the Sales Tax Holiday Period, but  
10 during the Sales Tax Holiday Period the customer  
11 returns the item and receives credit on the purchase  
12 of a different item of eligible property, the reduced  
13 rate of tax is due on the sale of the new item if the  
14 new item is purchased during the Sales Tax Holiday  
15 Period.

16 (6) (Blank). ~~Delivery charges. Delivery charges,~~  
17 ~~including shipping, handling and service charges, are part~~  
18 ~~of the sales price of eligible property.~~

19 (7) Order date and back orders. For the purpose of a  
20 sales tax holiday, eligible property qualifies for the  
21 reduced rate of tax if: (i) the item is both delivered to  
22 and paid for by the customer during the Sales Tax Holiday  
23 Period or (ii) the customer orders and pays for the item  
24 and the seller accepts the order during the Sales Tax  
25 Holiday Period for immediate shipment, even if delivery is  
26 made after the Sales Tax Holiday Period. The seller

1 accepts an order when the seller has taken action to fill  
2 the order for immediate shipment. Actions to fill an order  
3 include placement of an "in date" stamp on an order or  
4 assignment of an "order number" to an order within the  
5 Sales Tax Holiday Period. An order is for immediate  
6 shipment when the customer does not request delayed  
7 shipment. An order is for immediate shipment  
8 notwithstanding that the shipment may be delayed because  
9 of a backlog of orders or because stock is currently  
10 unavailable to, or on back order by, the seller.

11 (8) Returns. For a 60-day period immediately after the  
12 Sales Tax Holiday Period, if a customer returns an item  
13 that would qualify for the reduced rate of tax, credit for  
14 or refund of sales tax shall be given only at the reduced  
15 rate unless the customer provides a receipt or invoice  
16 that shows tax was paid at the 6.25% general merchandise  
17 rate, or the seller has sufficient documentation to show  
18 that tax was paid at the 6.25% general merchandise rate on  
19 the specific item. This 60-day period is set solely for  
20 the purpose of designating a time period during which the  
21 customer must provide documentation that shows that the  
22 appropriate sales tax rate was paid on returned  
23 merchandise. The 60-day period is not intended to change a  
24 seller's policy on the time period during which the seller  
25 will accept returns.

26 (c) The Department may implement the provisions of this

1 Section through the use of emergency rules, along with  
2 permanent rules filed concurrently with such emergency rules,  
3 in accordance with the provisions of Section 5-45 of the  
4 Illinois Administrative Procedure Act. For purposes of the  
5 Illinois Administrative Procedure Act, the adoption of rules  
6 to implement the provisions of this Section shall be deemed an  
7 emergency and necessary for the public interest, safety, and  
8 welfare.

9 (Source: P.A. 96-1012, eff. 7-7-10.)

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  
18 functionally used or consumed is a by-product or waste product  
19 that has been refined, manufactured, or produced from property  
20 purchased at retail, then the tax is imposed on the lower of  
21 the fair market value, if any, of the specific property so used  
22 in this State or on the selling price of the property purchased  
23 at retail. For purposes of this Section "fair market value"  
24 means the price at which property would change hands between a  
25 willing buyer and a willing seller, neither being under any

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

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

11 Beginning on August 6, 2010 through August 15, 2010, and  
12 beginning again on August 5, 2022 through August 14, 2022,  
13 with respect to sales tax holiday items as defined in Section  
14 3-6 of 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 July 1, 2017, and (iii) 100% of the proceeds of sales  
20 made thereafter. If, at any time, however, the tax under this  
21 Act on sales of gasohol is imposed at the rate of 1.25%, then  
22 the tax imposed by this Act applies to 100% of the proceeds of  
23 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 2023 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, 2023 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, food consisting of or infused with adult  
21 use cannabis, soft drinks, and food that has been prepared for  
22 immediate consumption) and prescription and nonprescription  
23 medicines, drugs, medical appliances, products classified as  
24 Class III medical devices by the United States Food and Drug  
25 Administration that are used for cancer treatment pursuant to  
26 a prescription, as well as any accessories and components

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

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

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

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

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

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

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

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

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

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

14 As used in this Section, "adult use cannabis" means  
15 cannabis subject to tax under the Cannabis Cultivation  
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
17 and does not include cannabis subject to tax under the  
18 Compassionate Use of Medical Cannabis Program Act.

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

26 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;

1 102-4, eff. 4-27-21.)

2 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

3 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
4 and trailers that are required to be registered with an agency  
5 of this State, each retailer required or authorized to collect  
6 the tax imposed by this Act shall pay to the Department the  
7 amount of such tax (except as otherwise provided) at the time  
8 when he is required to file his return for the period during  
9 which such tax was collected, less a discount of 2.1% prior to  
10 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
11 per calendar year, whichever is greater, which is allowed to  
12 reimburse the retailer for expenses incurred in collecting the  
13 tax, keeping records, preparing and filing returns, remitting  
14 the tax and supplying data to the Department on request. When  
15 determining the discount allowed under this Section, retailers  
16 shall include the amount of tax that would have been due at the  
17 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
18 items under this amendatory Act of the 102nd General Assembly.

19 The discount under this Section is not allowed for the 1.25%  
20 portion of taxes paid on aviation fuel that is subject to the  
21 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
22 47133. In the case of retailers who report and pay the tax on a  
23 transaction by transaction basis, as provided in this Section,  
24 such discount shall be taken with each such tax remittance  
25 instead of when such retailer files his periodic return. The

1 discount allowed under this Section is allowed only for  
2 returns that are filed in the manner required by this Act. The  
3 Department may disallow the discount for retailers whose  
4 certificate of registration is revoked at the time the return  
5 is filed, but only if the Department's decision to revoke the  
6 certificate of registration has become final. A retailer need  
7 not remit that part of any tax collected by him to the extent  
8 that he is required to remit and does remit the tax imposed by  
9 the Retailers' Occupation Tax Act, with respect to the sale of  
10 the same property.

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

21 Except as provided in this Section, on or before the  
22 twentieth day of each calendar month, such retailer shall file  
23 a return for the preceding calendar month. Such return shall  
24 be filed on forms prescribed by the Department and shall  
25 furnish such information as the Department may reasonably  
26 require. On and after January 1, 2018, except for returns for

1 motor vehicles, watercraft, aircraft, and trailers that are  
2 required to be registered with an agency of this State, with  
3 respect to retailers whose annual gross receipts average  
4 \$20,000 or more, all returns required to be filed pursuant to  
5 this Act shall be filed electronically. Retailers who  
6 demonstrate that they do not have access to the Internet or  
7 demonstrate hardship in filing electronically may petition the  
8 Department to waive the electronic filing requirement.

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

16 1. The name of the seller;

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

20 3. The total amount of taxable receipts received by  
21 him during the preceding calendar month from sales of  
22 tangible personal property by him during such preceding  
23 calendar month, including receipts from charge and time  
24 sales, but less all deductions allowed by law;

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

- 1           5. The amount of tax due;
- 2           5-5. The signature of the taxpayer; and
- 3           6. Such other reasonable information as the Department
- 4           may require.

5           Each retailer required or authorized to collect the tax  
6           imposed by this Act on aviation fuel sold at retail in this  
7           State during the preceding calendar month shall, instead of  
8           reporting and paying tax on aviation fuel as otherwise  
9           required by this Section, report and pay such tax on a separate  
10          aviation fuel tax return. The requirements related to the  
11          return shall be as otherwise provided in this Section.  
12          Notwithstanding any other provisions of this Act to the  
13          contrary, retailers collecting tax on aviation fuel shall file  
14          all aviation fuel tax returns and shall make all aviation fuel  
15          tax payments by electronic means in the manner and form  
16          required by the Department. For purposes of this Section,  
17          "aviation fuel" means jet fuel and aviation gasoline.

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

22          Notwithstanding any other provision of this Act to the  
23          contrary, retailers subject to tax on cannabis shall file all  
24          cannabis tax returns and shall make all cannabis tax payments  
25          by electronic means in the manner and form required by the  
26          Department.



1           Beginning October 1, 1993, a taxpayer who has an average  
2 monthly tax liability of \$150,000 or more shall make all  
3 payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1994, a taxpayer who has  
5 an average monthly tax liability of \$100,000 or more shall  
6 make all payments required by rules of the Department by  
7 electronic funds transfer. Beginning October 1, 1995, a  
8 taxpayer who has an average monthly tax liability of \$50,000  
9 or more shall make all payments required by rules of the  
10 Department by electronic funds transfer. Beginning October 1,  
11 2000, a taxpayer who has an annual tax liability of \$200,000 or  
12 more shall make all payments required by rules of the  
13 Department by electronic funds transfer. The term "annual tax  
14 liability" shall be the sum of the taxpayer's liabilities  
15 under this Act, and under all other State and local occupation  
16 and use tax laws administered by the Department, for the  
17 immediately preceding calendar year. The term "average monthly  
18 tax liability" means the sum of the taxpayer's liabilities  
19 under this Act, and under all other State and local occupation  
20 and use tax laws administered by the Department, for the  
21 immediately preceding calendar year divided by 12. Beginning  
22 on October 1, 2002, a taxpayer who has a tax liability in the  
23 amount set forth in subsection (b) of Section 2505-210 of the  
24 Department of Revenue Law shall make all payments required by  
25 rules of the Department by electronic funds transfer.

26           Before August 1 of each year beginning in 1993, the

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

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

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

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

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

1 the Service Occupation Tax Act, and the Service Use Tax Act was  
2 \$20,000 or more during the preceding 4 complete calendar  
3 quarters, he shall file a return with the Department each  
4 month by the 20th day of the month next following the month  
5 during which such tax liability is incurred and shall make  
6 payment to the Department on or before the 7th, 15th, 22nd and  
7 last day of the month during which such liability is incurred.  
8 If the month during which such tax liability is incurred began  
9 prior to January 1, 1985, each payment shall be in an amount  
10 equal to 1/4 of the taxpayer's actual liability for the month  
11 or an amount set by the Department not to exceed 1/4 of the  
12 average monthly liability of the taxpayer to the Department  
13 for the preceding 4 complete calendar quarters (excluding the  
14 month of highest liability and the month of lowest liability  
15 in such 4 quarter period). If the month during which such tax  
16 liability is incurred begins on or after January 1, 1985, and  
17 prior to January 1, 1987, each payment shall be in an amount  
18 equal to 22.5% of the taxpayer's actual liability for the  
19 month or 27.5% of the taxpayer's liability for the same  
20 calendar month of the preceding year. If the month during  
21 which such tax liability is incurred begins on or after  
22 January 1, 1987, and prior to January 1, 1988, each payment  
23 shall be in an amount equal to 22.5% of the taxpayer's actual  
24 liability for the month or 26.25% of the taxpayer's liability  
25 for the same calendar month of the preceding year. If the month  
26 during which such tax liability is incurred begins on or after

1 January 1, 1988, and prior to January 1, 1989, or begins on or  
2 after January 1, 1996, each payment shall be in an amount equal  
3 to 22.5% of the taxpayer's actual liability for the month or  
4 25% of the taxpayer's liability for the same calendar month of  
5 the preceding year. If the month during which such tax  
6 liability is incurred begins on or after January 1, 1989, and  
7 prior to January 1, 1996, each payment shall be in an amount  
8 equal to 22.5% of the taxpayer's actual liability for the  
9 month or 25% of the taxpayer's liability for the same calendar  
10 month of the preceding year or 100% of the taxpayer's actual  
11 liability for the quarter monthly reporting period. The amount  
12 of such quarter monthly payments shall be credited against the  
13 final tax liability of the taxpayer's return for that month.  
14 Before October 1, 2000, once applicable, the requirement of  
15 the making of quarter monthly payments to the Department shall  
16 continue until such taxpayer's average monthly liability to  
17 the Department during the preceding 4 complete calendar  
18 quarters (excluding the month of highest liability and the  
19 month of lowest liability) is less than \$9,000, or until such  
20 taxpayer's average monthly liability to the Department as  
21 computed for each calendar quarter of the 4 preceding complete  
22 calendar quarter period is less than \$10,000. However, if a  
23 taxpayer can show the Department that a substantial change in  
24 the taxpayer's business has occurred which causes the taxpayer  
25 to anticipate that his average monthly tax liability for the  
26 reasonably foreseeable future will fall below the \$10,000

1 threshold stated above, then such taxpayer may petition the  
2 Department for change in such taxpayer's reporting status. On  
3 and after October 1, 2000, once applicable, the requirement of  
4 the making of quarter monthly payments to the Department shall  
5 continue until such taxpayer's average monthly liability to  
6 the Department during the preceding 4 complete calendar  
7 quarters (excluding the month of highest liability and the  
8 month of lowest liability) is less than \$19,000 or until such  
9 taxpayer's average monthly liability to the Department as  
10 computed for each calendar quarter of the 4 preceding complete  
11 calendar quarter period is less than \$20,000. However, if a  
12 taxpayer can show the Department that a substantial change in  
13 the taxpayer's business has occurred which causes the taxpayer  
14 to anticipate that his average monthly tax liability for the  
15 reasonably foreseeable future will fall below the \$20,000  
16 threshold stated above, then such taxpayer may petition the  
17 Department for a change in such taxpayer's reporting status.  
18 The Department shall change such taxpayer's reporting status  
19 unless it finds that such change is seasonal in nature and not  
20 likely to be long term. Quarter monthly payment status shall  
21 be determined under this paragraph as if the rate reduction to  
22 1.25% in this amendatory Act of the 102nd General Assembly on  
23 sales tax holiday items had not occurred. For quarter monthly  
24 payments due on or after July 1, 2023 and through June 30,  
25 2024, "25% of the taxpayer's liability for the same calendar  
26 month of the preceding year" shall be determined as if the rate

1 reduction to 1.25% in this amendatory Act of the 102nd General  
2 Assembly on sales tax holiday items had not occurred. If any  
3 such quarter monthly payment is not paid at the time or in the  
4 amount required by this Section, then the taxpayer shall be  
5 liable for penalties and interest on the difference between  
6 the minimum amount due and the amount of such quarter monthly  
7 payment actually and timely paid, except insofar as the  
8 taxpayer has previously made payments for that month to the  
9 Department in excess of the minimum payments previously due as  
10 provided in this Section. The Department shall make reasonable  
11 rules and regulations to govern the quarter monthly payment  
12 amount and quarter monthly payment dates for taxpayers who  
13 file on other than a calendar monthly basis.

14 If any such payment provided for in this Section exceeds  
15 the taxpayer's liabilities under this Act, the Retailers'  
16 Occupation Tax Act, the Service Occupation Tax Act and the  
17 Service Use Tax Act, as shown by an original monthly return,  
18 the Department shall issue to the taxpayer a credit memorandum  
19 no later than 30 days after the date of payment, which  
20 memorandum may be submitted by the taxpayer to the Department  
21 in payment of tax liability subsequently to be remitted by the  
22 taxpayer to the Department or be assigned by the taxpayer to a  
23 similar taxpayer under this Act, the Retailers' Occupation Tax  
24 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
25 in accordance with reasonable rules and regulations to be  
26 prescribed by the Department, except that if such excess

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

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

26 If the retailer is otherwise required to file a monthly or

1 quarterly return and if the retailer's average monthly tax  
2 liability to the Department does not exceed \$50, the  
3 Department may authorize his returns to be filed on an annual  
4 basis, with the return for a given year being due by January 20  
5 of the following year.

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

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

16 In addition, with respect to motor vehicles, watercraft,  
17 aircraft, and trailers that are required to be registered with  
18 an agency of this State, except as otherwise provided in this  
19 Section, every retailer selling this kind of tangible personal  
20 property shall file, with the Department, upon a form to be  
21 prescribed and supplied by the Department, a separate return  
22 for each such item of tangible personal property which the  
23 retailer sells, except that if, in the same transaction, (i) a  
24 retailer of aircraft, watercraft, motor vehicles or trailers  
25 transfers more than one aircraft, watercraft, motor vehicle or  
26 trailer to another aircraft, watercraft, motor vehicle or



1 trailer retailer for the purpose of resale or (ii) a retailer  
2 of aircraft, watercraft, motor vehicles, or trailers transfers  
3 more than one aircraft, watercraft, motor vehicle, or trailer  
4 to a purchaser for use as a qualifying rolling stock as  
5 provided in Section 3-55 of this Act, then that seller may  
6 report the transfer of all the aircraft, watercraft, motor  
7 vehicles or trailers involved in that transaction to the  
8 Department on the same uniform invoice-transaction reporting  
9 return form. For purposes of this Section, "watercraft" means  
10 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
11 3-2 of the Boat Registration and Safety Act, a personal  
12 watercraft, or any boat equipped with an inboard motor.

13 In addition, with respect to motor vehicles, watercraft,  
14 aircraft, and trailers that are required to be registered with  
15 an agency of this State, every person who is engaged in the  
16 business of leasing or renting such items and who, in  
17 connection with such business, sells any such item to a  
18 retailer for the purpose of resale is, notwithstanding any  
19 other provision of this Section to the contrary, authorized to  
20 meet the return-filing requirement of this Act by reporting  
21 the transfer of all the aircraft, watercraft, motor vehicles,  
22 or trailers transferred for resale during a month to the  
23 Department on the same uniform invoice-transaction reporting  
24 return form on or before the 20th of the month following the  
25 month in which the transfer takes place. Notwithstanding any  
26 other provision of this Act to the contrary, all returns filed

1 under this paragraph must be filed by electronic means in the  
2 manner and form as required by the Department.

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

24 The transaction reporting return in the case of watercraft  
25 and aircraft must show the name and address of the seller; the  
26 name and address of the purchaser; the amount of the selling

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

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

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

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

22           If the user who would otherwise pay tax to the retailer  
23 wants the transaction reporting return filed and the payment  
24 of tax or proof of exemption made to the Department before the  
25 retailer is willing to take these actions and such user has not  
26 paid the tax to the retailer, such user may certify to the fact

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

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

1 amount of such tax to the Department, he is entitled to no  
2 deduction under this Act upon refunding such tax to the  
3 purchaser.

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

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the State and Local Sales Tax Reform Fund, a special  
25 fund in the State Treasury which is hereby created, the net  
26 revenue realized for the preceding month from the 1% tax

1 imposed under this Act.

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  
6 property which is purchased outside Illinois at retail from a  
7 retailer and which is titled or registered by an agency of this  
8 State's 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 (i) tangible  
14 personal property which is purchased outside Illinois at  
15 retail from a retailer and which is titled or registered by an  
16 agency of this State's government and (ii) aviation fuel sold  
17 on or after December 1, 2019. This exception for aviation fuel  
18 only applies for so long as the revenue use requirements of 49  
19 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

20 For aviation fuel sold on or after December 1, 2019, each  
21 month the Department shall pay into the State Aviation Program  
22 Fund 20% of the net revenue realized for the preceding month  
23 from the 6.25% general rate on the selling price of aviation  
24 fuel, less an amount estimated by the Department to be  
25 required for refunds of the 20% portion of the tax on aviation  
26 fuel under this Act, which amount shall be deposited into the

1 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
2 pay moneys into the State Aviation Program Fund and the  
3 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
4 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
5 U.S.C. 47133 are binding on the State.

6 Beginning August 1, 2000, each month the Department shall  
7 pay into the State and Local Sales Tax Reform Fund 100% of the  
8 net revenue realized for the preceding month from the 1.25%  
9 rate on the selling price of motor fuel and gasohol. If, in any  
10 month, the tax on sales tax holiday items, as defined in  
11 Section 3-6, is imposed at the rate of 1.25%, then ~~Beginning~~  
12 ~~September 1, 2010, each month~~ the Department shall pay ~~into~~  
13 ~~the State and Local Sales Tax Reform Fund~~ 100% of the net  
14 revenue realized for that ~~the preceding~~ month from the 1.25%  
15 rate on the selling price of sales tax holiday items into the  
16 State and Local Sales Tax Reform Fund.

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

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

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

1 the average monthly revenues deposited into the fund,  
2 excluding payments made pursuant to this paragraph.

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

8 Of the remainder of the moneys received by the Department  
9 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
10 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
11 and after July 1, 1989, 3.8% thereof shall be paid into the  
12 Build Illinois Fund; provided, however, that if in any fiscal  
13 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
14 may be, of the moneys received by the Department and required  
15 to be paid into the Build Illinois Fund pursuant to Section 3  
16 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
17 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
18 Service Occupation Tax Act, such Acts being hereinafter called  
19 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
20 may be, of moneys being hereinafter called the "Tax Act  
21 Amount", and (2) the amount transferred to the Build Illinois  
22 Fund from the State and Local Sales Tax Reform Fund shall be  
23 less than the Annual Specified Amount (as defined in Section 3  
24 of the Retailers' Occupation Tax Act), 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 if on the last  
2 business day of any month the sum of (1) the Tax Act Amount  
3 required to be deposited into the Build Illinois Bond Account  
4 in the Build Illinois Fund during such month and (2) the amount  
5 transferred during such month to the Build Illinois Fund from  
6 the State and Local Sales Tax Reform Fund shall have been less  
7 than 1/12 of the Annual Specified Amount, an amount equal to  
8 the difference shall be immediately paid into the Build  
9 Illinois Fund from other moneys received by the Department  
10 pursuant to the Tax Acts; and, further provided, that in no  
11 event shall the payments required under the preceding proviso  
12 result in aggregate payments into the Build Illinois Fund  
13 pursuant to this clause (b) for any fiscal year in excess of  
14 the greater of (i) the Tax Act Amount or (ii) the Annual  
15 Specified Amount for such fiscal year; and, further provided,  
16 that the amounts payable into the Build Illinois Fund under  
17 this clause (b) shall be payable only until such time as the  
18 aggregate amount on deposit under each trust indenture  
19 securing Bonds issued and outstanding pursuant to the Build  
20 Illinois Bond Act is sufficient, taking into account any  
21 future investment income, to fully provide, in accordance with  
22 such indenture, for the defeasance of or the payment of the  
23 principal of, premium, if any, and interest on the Bonds  
24 secured by such indenture and on any Bonds expected to be  
25 issued thereafter and all fees and costs payable with respect  
26 thereto, all as certified by the Director of the Bureau of the

1 Budget (now Governor's Office of Management and Budget). If on  
2 the last business day of any month in which Bonds are  
3 outstanding pursuant to the Build Illinois Bond Act, the  
4 aggregate of the moneys deposited in the Build Illinois Bond  
5 Account in the Build Illinois Fund in such month shall be less  
6 than the amount required to be transferred in such month from  
7 the Build Illinois Bond Account to the Build Illinois Bond  
8 Retirement and Interest Fund pursuant to Section 13 of the  
9 Build Illinois Bond Act, an amount equal to such deficiency  
10 shall be immediately paid from other moneys received by the  
11 Department pursuant to the Tax Acts to the Build Illinois  
12 Fund; provided, however, that any amounts paid to the Build  
13 Illinois Fund in any fiscal year pursuant to this sentence  
14 shall be deemed to constitute payments pursuant to clause (b)  
15 of the preceding sentence and shall reduce the amount  
16 otherwise payable for such fiscal year pursuant to clause (b)  
17 of the preceding sentence. The moneys received by the  
18 Department pursuant to this Act and required to be deposited  
19 into the Build Illinois Fund are subject to the pledge, claim  
20 and charge set forth in Section 12 of the Build Illinois Bond  
21 Act.

22 Subject to payment of amounts into the Build Illinois Fund  
23 as provided in the preceding paragraph or in any amendment  
24 thereto hereafter enacted, the following specified monthly  
25 installment of the amount requested in the certificate of the  
26 Chairman of the Metropolitan Pier and Exposition Authority

1 provided under Section 8.25f of the State Finance Act, but not  
2 in excess of the sums designated as "Total Deposit", shall be  
3 deposited in the aggregate from collections under Section 9 of  
4 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
5 9 of the Service Occupation Tax Act, and Section 3 of the  
6 Retailers' Occupation Tax Act into the McCormick Place  
7 Expansion Project Fund in the specified fiscal years.

8	Fiscal Year	Total Deposit
9	1993	\$0
10	1994	53,000,000
11	1995	58,000,000
12	1996	61,000,000
13	1997	64,000,000
14	1998	68,000,000
15	1999	71,000,000
16	2000	75,000,000
17	2001	80,000,000
18	2002	93,000,000
19	2003	99,000,000
20	2004	103,000,000
21	2005	108,000,000
22	2006	113,000,000
23	2007	119,000,000
24	2008	126,000,000
25	2009	132,000,000
26	2010	139,000,000

1	2011	146,000,000
2	2012	153,000,000
3	2013	161,000,000
4	2014	170,000,000
5	2015	179,000,000
6	2016	189,000,000
7	2017	199,000,000
8	2018	210,000,000
9	2019	221,000,000
10	2020	233,000,000
11	2021	300,000,000
12	2022	300,000,000
13	2023	300,000,000
14	2024	300,000,000
15	2025	300,000,000
16	2026	300,000,000
17	2027	375,000,000
18	2028	375,000,000
19	2029	375,000,000
20	2030	375,000,000
21	2031	375,000,000
22	2032	375,000,000
23	2033	375,000,000
24	2034	375,000,000
25	2035	375,000,000
26	2036	450,000,000

1                                   and  
2                                   each fiscal year  
3                                   thereafter that bonds  
4                                   are outstanding under  
5                                   Section 13.2 of the  
6                                   Metropolitan Pier and  
7                                   Exposition Authority Act,  
8                                   but not after fiscal year 2060.

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

22                                   Subject to payment of amounts into the Capital Projects  
23                                   Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
24                                   and the McCormick Place Expansion Project Fund pursuant to the  
25                                   preceding paragraphs or in any amendments thereto hereafter  
26                                   enacted, for aviation fuel sold on or after December 1, 2019,

1 the Department shall each month deposit into the Aviation Fuel  
2 Sales Tax Refund Fund an amount estimated by the Department to  
3 be required for refunds of the 80% portion of the tax on  
4 aviation fuel under this Act. The Department shall only  
5 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
6 under this paragraph for so long as the revenue use  
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
8 binding on the State.

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  
14 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
15 the 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  
22 25-year period, the Department shall each month pay into the  
23 Energy Infrastructure Fund 80% of the net revenue realized  
24 from the 6.25% general rate on the selling price of  
25 Illinois-mined coal that was sold to an eligible business. For  
26 purposes of this paragraph, the term "eligible business" means



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

4 Subject to payment of amounts into the Build Illinois  
5 Fund, the McCormick Place Expansion Project Fund, the Illinois  
6 Tax Increment Fund, and the Energy Infrastructure Fund  
7 pursuant to the preceding paragraphs or in any amendments to  
8 this Section hereafter enacted, beginning on the first day of  
9 the first calendar month to occur on or after August 26, 2014  
10 (the effective date of Public Act 98-1098), 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 1/12 of 5% of 80% of  
18 the cash receipts collected during the preceding fiscal year  
19 by the Audit Bureau of the Department under the Use Tax Act,  
20 the 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 Subject to payments of amounts into the Build Illinois  
24 Fund, the McCormick Place Expansion Project Fund, the Illinois  
25 Tax Increment Fund, the Energy Infrastructure Fund, and the  
26 Tax Compliance and Administration Fund as provided in this

1 Section, beginning on July 1, 2018 the Department shall pay  
 2 each month into the Downstate Public Transportation Fund the  
 3 moneys required to be so paid under Section 2-3 of the  
 4 Downstate Public Transportation Act.

5 Subject to successful execution and delivery of a  
 6 public-private agreement between the public agency and private  
 7 entity and completion of the civic build, beginning on July 1,  
 8 2023, of the remainder of the moneys received by the  
 9 Department under the Use Tax Act, the Service Use Tax Act, the  
 10 Service Occupation Tax Act, and this Act, the Department shall  
 11 deposit the following specified deposits in the aggregate from  
 12 collections under the Use Tax Act, the Service Use Tax Act, the  
 13 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 14 Act, as required under Section 8.25g of the State Finance Act  
 15 for distribution consistent with the Public-Private  
 16 Partnership for Civic and Transit Infrastructure Project Act.  
 17 The moneys received by the Department pursuant to this Act and  
 18 required to be deposited into the Civic and Transit  
 19 Infrastructure Fund are subject to the pledge, claim, and  
 20 charge set forth in Section 25-55 of the Public-Private  
 21 Partnership for Civic and Transit Infrastructure Project Act.  
 22 As used in this paragraph, "civic build", "private entity",  
 23 "public-private agreement", and "public agency" have the  
 24 meanings provided in Section 25-10 of the Public-Private  
 25 Partnership for Civic and Transit Infrastructure Project Act.

26 Fiscal Year..... Total Deposit

1	2024	.....	\$200,000,000
2	2025	.....	\$206,000,000
3	2026	.....	\$212,200,000
4	2027	.....	\$218,500,000
5	2028	.....	\$225,100,000
6	2029	.....	\$288,700,000
7	2030	.....	\$298,900,000
8	2031	.....	\$309,300,000
9	2032	.....	\$320,100,000
10	2033	.....	\$331,200,000
11	2034	.....	\$341,200,000
12	2035	.....	\$351,400,000
13	2036	.....	\$361,900,000
14	2037	.....	\$372,800,000
15	2038	.....	\$384,000,000
16	2039	.....	\$395,500,000
17	2040	.....	\$407,400,000
18	2041	.....	\$419,600,000
19	2042	.....	\$432,200,000
20	2043	.....	\$445,100,000

21           Beginning July 1, 2021 and until July 1, 2022, subject to  
22 the payment of amounts into the State and Local Sales Tax  
23 Reform Fund, the Build Illinois Fund, the McCormick Place  
24 Expansion Project Fund, the Illinois Tax Increment Fund, the  
25 Energy Infrastructure Fund, and the Tax Compliance and  
26 Administration Fund as provided in this Section, the

1 Department shall pay each month into the Road Fund the amount  
2 estimated to represent 16% of the net revenue realized from  
3 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
4 2022 and until July 1, 2023, subject to the payment of amounts  
5 into the State and Local Sales Tax Reform Fund, the Build  
6 Illinois Fund, the McCormick Place Expansion Project Fund, the  
7 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
8 and the Tax Compliance and Administration Fund as provided in  
9 this Section, the Department shall pay each month into the  
10 Road Fund the amount estimated to represent 32% of the net  
11 revenue realized from the taxes imposed on motor fuel and  
12 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
13 subject to the payment of amounts into the State and Local  
14 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick  
15 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
16 the Energy Infrastructure Fund, and the Tax Compliance and  
17 Administration Fund as provided in this Section, the  
18 Department shall pay each month into the Road Fund the amount  
19 estimated to represent 48% of the net revenue realized from  
20 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
21 2024 and until July 1, 2025, subject to the payment of amounts  
22 into the State and Local Sales Tax Reform Fund, the Build  
23 Illinois Fund, the McCormick Place Expansion Project Fund, the  
24 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
25 and the Tax Compliance and Administration Fund as provided in  
26 this Section, the Department shall pay each month into the

1 Road Fund the amount estimated to represent 64% of the net  
2 revenue realized from the taxes imposed on motor fuel and  
3 gasohol. Beginning on July 1, 2025, subject to the payment of  
4 amounts into the State and Local Sales Tax Reform Fund, the  
5 Build Illinois Fund, the McCormick Place Expansion Project  
6 Fund, the Illinois Tax Increment Fund, the Energy  
7 Infrastructure Fund, and the Tax Compliance and Administration  
8 Fund as provided in this Section, the Department shall pay  
9 each month into the Road Fund the amount estimated to  
10 represent 80% of the net revenue realized from the taxes  
11 imposed on motor fuel and gasohol. As used in this paragraph  
12 "motor fuel" has the meaning given to that term in Section 1.1  
13 of the Motor Fuel Tax Act, and "gasohol" has the meaning given  
14 to that term in Section 3-40 of this Act.

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

21 As soon as possible after the first day of each month, upon  
22 certification of the Department of Revenue, the Comptroller  
23 shall order transferred and the Treasurer shall transfer from  
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25 equal to 1.7% of 80% of the net revenue realized under this Act  
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

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

13 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
14 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
15 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section  
16 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
17 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

18 Section 65-10. The Retailers' Occupation Tax Act is  
19 amended by changing Sections 2-8, 2-10 and 3 as follows:

20 (35 ILCS 120/2-8)

21 Sec. 2-8. Sales tax holiday items.

22 (a) Any ~~The~~ tangible personal property described in this  
23 subsection is a sales tax holiday item and qualifies for the  
24 1.25% reduced rate of tax for the period set forth in Section

1 2-10 of this Act (hereinafter referred to as the Sales Tax  
2 Holiday Period). The reduced rate on these items shall be  
3 administered under the provisions of subsection (b) of this  
4 Section. The following items are subject to the reduced rate:

5 (1) Clothing items that each have a retail selling  
6 price of less than \$125 ~~¢100~~.

7 "Clothing" means, unless otherwise specified in this  
8 Section, all human wearing apparel suitable for general  
9 use. "Clothing" does not include clothing accessories,  
10 protective equipment, or sport or recreational equipment.

11 "Clothing" includes, but is not limited to: household and  
12 shop aprons; athletic supporters; bathing suits and caps;  
13 belts and suspenders; boots; coats and jackets; ear muffs;  
14 footlets; gloves and mittens for general use; hats and  
15 caps; hosiery; insoles for shoes; lab coats; neckties;  
16 overshoes; pantyhose; rainwear; rubber pants; sandals;  
17 scarves; shoes and shoelaces; slippers; sneakers; socks  
18 and stockings; steel-toed shoes; underwear; and school  
19 uniforms.

20 "Clothing accessories" means, but is not limited to:  
21 briefcases; cosmetics; hair notions, including, but not  
22 limited to barrettes, hair bows, and hair nets; handbags;  
23 handkerchiefs; jewelry; non-prescription sunglasses;  
24 umbrellas; wallets; watches; and wigs and hair pieces.

25 "Protective equipment" means, but is not limited to:  
26 breathing masks; clean room apparel and equipment; ear and

1 hearing protectors; face shields; hard hats; helmets;  
2 paint or dust respirators; protective gloves; safety  
3 glasses and goggles; safety belts; tool belts; and  
4 welder's gloves and masks.

5 "Sport or recreational equipment" means, but is not  
6 limited to: ballet and tap shoes; cleated or spiked  
7 athletic shoes; gloves, including, but not limited to,  
8 baseball, bowling, boxing, hockey, and golf gloves;  
9 goggles; hand and elbow guards; life preservers and vests;  
10 mouth guards; roller and ice skates; shin guards; shoulder  
11 pads; ski boots; waders; and wetsuits and fins.

12 (2) School supplies. "School supplies" means, unless  
13 otherwise specified in this Section, items used by a  
14 student in a course of study. The purchase of school  
15 supplies for use by persons other than students for use in  
16 a course of study are not eligible for the reduced rate of  
17 tax. "School supplies" do not include school art supplies;  
18 school instructional materials; cameras; film and memory  
19 cards; videocameras, tapes, and videotapes; computers;  
20 cell phones; Personal Digital Assistants (PDAs); handheld  
21 electronic schedulers; and school computer supplies.

22 "School supplies" includes, but is not limited to:  
23 binders; book bags; calculators; cellophane tape;  
24 blackboard chalk; compasses; composition books; crayons;  
25 erasers; expandable, pocket, plastic, and manila folders;  
26 glue, paste, and paste sticks; highlighters; index cards;



1 index card boxes; legal pads; lunch boxes; markers;  
2 notebooks; paper, including loose leaf ruled notebook  
3 paper, copy paper, graph paper, tracing paper, manila  
4 paper, colored paper, poster board, and construction  
5 paper; pencils; pencil leads; pens; ink and ink refills  
6 for pens; pencil boxes and other school supply boxes;  
7 pencil sharpeners; protractors; rulers; scissors; and  
8 writing tablets.

9 "School art supply" means an item commonly used by a  
10 student in a course of study for artwork and includes only  
11 the following items: clay and glazes; acrylic, tempera,  
12 and oil paint; paintbrushes for artwork; sketch and  
13 drawing pads; and watercolors.

14 "School instructional material" means written material  
15 commonly used by a student in a course of study as a  
16 reference and to learn the subject being taught and  
17 includes only the following items: reference books;  
18 reference maps and globes; textbooks; and workbooks.

19 "School computer supply" means an item commonly used  
20 by a student in a course of study in which a computer is  
21 used and applies only to the following items: flashdrives  
22 and other computer data storage devices; data storage  
23 media, such as diskettes and compact disks; boxes and  
24 cases for disk storage; external ports or drives; computer  
25 cases; computer cables; computer printers; and printer  
26 cartridges, toner, and ink.

1           (b) Administration. Notwithstanding any other provision of  
2 this Act, the reduced rate of tax under Section 3-10 of this  
3 Act for clothing and school supplies shall be administered by  
4 the Department under the provisions of this subsection (b).

5           (1) Bundled sales. Items that qualify for the reduced  
6 rate of tax that are bundled together with items that do  
7 not qualify for the reduced rate of tax and that are sold  
8 for one itemized price will be subject to the reduced rate  
9 of tax only if the value of the items that qualify for the  
10 reduced rate of tax exceeds the value of the items that do  
11 not qualify for the reduced rate of tax.

12           (2) Coupons and discounts. An unreimbursed discount by  
13 the seller reduces the sales price of the property so that  
14 the discounted sales price determines whether the sales  
15 price is within a sales tax holiday price threshold. A  
16 coupon or other reduction in the sales price is treated as  
17 a discount if the seller is not reimbursed for the coupon  
18 or reduction amount by a third party.

19           (3) Splitting of items normally sold together.  
20 Articles that are normally sold as a single unit must  
21 continue to be sold in that manner. Such articles cannot  
22 be priced separately and sold as individual items in order  
23 to obtain the reduced rate of tax. For example, a pair of  
24 shoes cannot have each shoe sold separately so that the  
25 sales price of each shoe is within a sales tax holiday  
26 price threshold.

1           (4) Rain checks. A rain check is a procedure that  
2 allows a customer to purchase an item at a certain price at  
3 a later time because the particular item was out of stock.  
4 Eligible property that customers purchase during the Sales  
5 Tax Holiday Period with the use of a rain check will  
6 qualify for the reduced rate of tax regardless of when the  
7 rain check was issued. Issuance of a rain check during the  
8 Sales Tax Holiday Period will not qualify eligible  
9 property for the reduced rate of tax if the property is  
10 actually purchased after the Sales Tax Holiday Period.

11           (5) Exchanges. The procedure for an exchange in  
12 regards to a sales tax holiday is as follows:

13           (A) If a customer purchases an item of eligible  
14 property during the Sales Tax Holiday Period, but  
15 later exchanges the item for a similar eligible item,  
16 even if a different size, different color, or other  
17 feature, no additional tax is due even if the exchange  
18 is made after the Sales Tax Holiday Period.

19           (B) If a customer purchases an item of eligible  
20 property during the Sales Tax Holiday Period, but  
21 after the Sales Tax Holiday Period has ended, the  
22 customer returns the item and receives credit on the  
23 purchase of a different item, the 6.25% general  
24 merchandise sales tax rate is due on the sale of the  
25 newly purchased item.

26           (C) If a customer purchases an item of eligible

1 property before the Sales Tax Holiday Period, but  
2 during the Sales Tax Holiday Period the customer  
3 returns the item and receives credit on the purchase  
4 of a different item of eligible property, the reduced  
5 rate of tax is due on the sale of the new item if the  
6 new item is purchased during the Sales Tax Holiday  
7 Period.

8 (6) (Blank). ~~Delivery charges. Delivery charges,~~  
9 ~~including shipping, handling and service charges, are part~~  
10 ~~of the sales price of eligible property.~~

11 (7) Order date and back orders. For the purpose of a  
12 sales tax holiday, eligible property qualifies for the  
13 reduced rate of tax if: (i) the item is both delivered to  
14 and paid for by the customer during the Sales Tax Holiday  
15 Period or (ii) the customer orders and pays for the item  
16 and the seller accepts the order during the Sales Tax  
17 Holiday Period for immediate shipment, even if delivery is  
18 made after the Sales Tax Holiday Period. The seller  
19 accepts an order when the seller has taken action to fill  
20 the order for immediate shipment. Actions to fill an order  
21 include placement of an "in date" stamp on an order or  
22 assignment of an "order number" to an order within the  
23 Sales Tax Holiday Period. An order is for immediate  
24 shipment when the customer does not request delayed  
25 shipment. An order is for immediate shipment  
26 notwithstanding that the shipment may be delayed because

1 of a backlog of orders or because stock is currently  
2 unavailable to, or on back order by, the seller.

3 (8) Returns. For a 60-day period immediately after the  
4 Sales Tax Holiday Period, if a customer returns an item  
5 that would qualify for the reduced rate of tax, credit for  
6 or refund of sales tax shall be given only at the reduced  
7 rate unless the customer provides a receipt or invoice  
8 that shows tax was paid at the 6.25% general merchandise  
9 rate, or the seller has sufficient documentation to show  
10 that tax was paid at the 6.25% general merchandise rate on  
11 the specific item. This 60-day period is set solely for  
12 the purpose of designating a time period during which the  
13 customer must provide documentation that shows that the  
14 appropriate sales tax rate was paid on returned  
15 merchandise. The 60-day period is not intended to change a  
16 seller's policy on the time period during which the seller  
17 will accept returns.

18 (c) The Department may implement the provisions of this  
19 Section through the use of emergency rules, along with  
20 permanent rules filed concurrently with such emergency rules,  
21 in accordance with the provisions of Section 5-45 of the  
22 Illinois Administrative Procedure Act. For purposes of the  
23 Illinois Administrative Procedure Act, the adoption of rules  
24 to implement the provisions of this Section shall be deemed an  
25 emergency and necessary for the public interest, safety, and  
26 welfare.

1 (Source: P.A. 96-1012, eff. 7-7-10.)

2 (35 ILCS 120/2-10)

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

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

11 Beginning on August 6, 2010 through August 15, 2010, and  
12 beginning again on August 5, 2022 through August 14, 2022,  
13 with respect to sales tax holiday items as defined in Section  
14 2-8 of this Act, the tax is imposed at the rate of 1.25%.

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

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

5 With respect to gasohol, as defined in the Use Tax Act, the  
6 tax imposed by this Act applies to (i) 70% of the proceeds of  
7 sales made on or after January 1, 1990, and before July 1,  
8 2003, (ii) 80% of the proceeds of sales made on or after July  
9 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
10 proceeds of sales made thereafter. If, at any time, however,  
11 the tax under this Act on sales of gasohol, as defined in the  
12 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
13 imposed by this Act applies to 100% of the proceeds of sales of  
14 gasohol made during that time.

15 With respect to majority blended ethanol fuel, as defined  
16 in the Use Tax Act, the tax imposed by this Act does not apply  
17 to the proceeds of sales made on or after July 1, 2003 and on  
18 or before December 31, 2023 but applies to 100% of the proceeds  
19 of sales made thereafter.

20 With respect to biodiesel blends, as defined in the Use  
21 Tax Act, with no less than 1% and no more than 10% biodiesel,  
22 the tax imposed by this Act applies to (i) 80% of the proceeds  
23 of sales made on or after July 1, 2003 and on or before  
24 December 31, 2018 and (ii) 100% of the proceeds of sales made  
25 thereafter. If, at any time, however, the tax under this Act on  
26 sales of biodiesel blends, as defined in the Use Tax Act, with

1 no less than 1% and no more than 10% biodiesel is imposed at  
2 the rate of 1.25%, then the tax imposed by this Act applies to  
3 100% of the proceeds of sales of biodiesel blends with no less  
4 than 1% and no more than 10% biodiesel made during that time.

5 With respect to 100% biodiesel, as defined in the Use Tax  
6 Act, and biodiesel blends, as defined in the Use Tax Act, with  
7 more than 10% but no more than 99% biodiesel, the tax imposed  
8 by this Act does not apply to the proceeds of sales made on or  
9 after July 1, 2003 and on or before December 31, 2023 but  
10 applies to 100% of the proceeds of sales made thereafter.

11 With respect to food for human consumption that is to be  
12 consumed off the premises where it is sold (other than  
13 alcoholic beverages, food consisting of or infused with adult  
14 use cannabis, soft drinks, and food that has been prepared for  
15 immediate consumption) and prescription and nonprescription  
16 medicines, drugs, medical appliances, products classified as  
17 Class III medical devices by the United States Food and Drug  
18 Administration that are used for cancer treatment pursuant to  
19 a prescription, as well as any accessories and components  
20 related to those devices, modifications to a motor vehicle for  
21 the purpose of rendering it usable by a person with a  
22 disability, and insulin, blood sugar testing materials,  
23 syringes, and needles used by human diabetics, the tax is  
24 imposed at the rate of 1%. For the purposes of this Section,  
25 until September 1, 2009: the term "soft drinks" means any  
26 complete, finished, ready-to-use, non-alcoholic drink, whether



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

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

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

1 regardless of the location of the vending machine.

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

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

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

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

1 substance or preparation.

2 Beginning on the effective date of this amendatory Act of  
3 the 98th General Assembly, "prescription and nonprescription  
4 medicines and drugs" includes medical cannabis purchased from  
5 a registered dispensing organization under the Compassionate  
6 Use of Medical Cannabis Program Act.

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

12 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
13 102-4, eff. 4-27-21.)

14 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

20 1. The name of the seller;

21 2. His residence address and the address of his  
22 principal place of business and the address of the  
23 principal place of business (if that is a different  
24 address) from which he engages in the business of selling  
25 tangible personal property at retail in this State;

1           3. Total amount of receipts received by him during the  
2 preceding calendar month or quarter, as the case may be,  
3 from sales of tangible personal property, and from  
4 services furnished, by him during such preceding calendar  
5 month or quarter;

6           4. Total amount received by him during the preceding  
7 calendar month or quarter on charge and time sales of  
8 tangible personal property, and from services furnished,  
9 by him prior to the month or quarter for which the return  
10 is filed;

11           5. Deductions allowed by law;

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

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

17           8. The amount of tax due;

18           9. The signature of the taxpayer; and

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

21           On and after January 1, 2018, except for returns for motor  
22 vehicles, watercraft, aircraft, and trailers that are required  
23 to be registered with an agency of this State, with respect to  
24 retailers whose annual gross receipts average \$20,000 or more,  
25 all returns required to be filed pursuant to this Act shall be  
26 filed electronically. Retailers who demonstrate that they do

1 not have access to the Internet or demonstrate hardship in  
2 filing electronically may petition the Department to waive the  
3 electronic filing requirement.

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

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

11 Prior to October 1, 2003, and on and after September 1,  
12 2004 a retailer may accept a Manufacturer's Purchase Credit  
13 certification from a purchaser in satisfaction of Use Tax as  
14 provided in Section 3-85 of the Use Tax Act if the purchaser  
15 provides the appropriate documentation as required by Section  
16 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
17 certification, accepted by a retailer prior to October 1, 2003  
18 and on and after September 1, 2004 as provided in Section 3-85  
19 of the Use Tax Act, may be used by that retailer to satisfy  
20 Retailers' Occupation Tax liability in the amount claimed in  
21 the certification, not to exceed 6.25% of the receipts subject  
22 to tax from a qualifying purchase. A Manufacturer's Purchase  
23 Credit reported on any original or amended return filed under  
24 this Act after October 20, 2003 for reporting periods prior to  
25 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
26 ~~Purchaser~~ Credit reported on annual returns due on or after

1 January 1, 2005 will be disallowed for periods prior to  
2 September 1, 2004. No Manufacturer's Purchase Credit may be  
3 used after September 30, 2003 through August 31, 2004 to  
4 satisfy any tax liability imposed under this Act, including  
5 any audit liability.

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

13 1. The name of the seller;

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

17 3. The total amount of taxable receipts received by  
18 him during the preceding calendar month from sales of  
19 tangible personal property by him during such preceding  
20 calendar month, including receipts from charge and time  
21 sales, but less all deductions allowed by law;

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

24 5. The amount of tax due; and

25 6. Such other reasonable information as the Department  
26 may require.

1           Every person engaged in the business of selling aviation  
2 fuel at retail in this State during the preceding calendar  
3 month shall, instead of reporting and paying tax as otherwise  
4 required by this Section, report and pay such tax on a separate  
5 aviation fuel tax return. The requirements related to the  
6 return shall be as otherwise provided in this Section.  
7 Notwithstanding any other provisions of this Act to the  
8 contrary, retailers selling aviation fuel shall file all  
9 aviation fuel tax returns and shall make all aviation fuel tax  
10 payments by electronic means in the manner and form required  
11 by the Department. For purposes of this Section, "aviation  
12 fuel" means jet fuel and aviation gasoline.

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

1           Beginning on October 1, 2003, every distributor, importing  
2 distributor, and manufacturer of alcoholic liquor as defined  
3 in the Liquor Control Act of 1934, shall file a statement with  
4 the Department of Revenue, no later than the 10th day of the  
5 month for the preceding month during which transactions  
6 occurred, by electronic means, showing the total amount of  
7 gross receipts from the sale of alcoholic liquor sold or  
8 distributed during the preceding month to purchasers;  
9 identifying the purchaser to whom it was sold or distributed;  
10 the purchaser's tax registration number; and such other  
11 information reasonably required by the Department. A  
12 distributor, importing distributor, or manufacturer of  
13 alcoholic liquor must personally deliver, mail, or provide by  
14 electronic means to each retailer listed on the monthly  
15 statement a report containing a cumulative total of that  
16 distributor's, importing distributor's, or manufacturer's  
17 total sales of alcoholic liquor to that retailer no later than  
18 the 10th day of the month for the preceding month during which  
19 the transaction occurred. The distributor, importing  
20 distributor, or manufacturer shall notify the retailer as to  
21 the method by which the distributor, importing distributor, or  
22 manufacturer will provide the sales information. If the  
23 retailer is unable to receive the sales information by  
24 electronic means, the distributor, importing distributor, or  
25 manufacturer shall furnish the sales information by personal  
26 delivery or by mail. For purposes of this paragraph, the term



1 "electronic means" includes, but is not limited to, the use of  
2 a secure Internet website, e-mail, or facsimile.

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

7 Notwithstanding any other provision of this Act to the  
8 contrary, retailers subject to tax on cannabis shall file all  
9 cannabis tax returns and shall make all cannabis tax payments  
10 by electronic means in the manner and form required by the  
11 Department.

12 Beginning October 1, 1993, a taxpayer who has an average  
13 monthly tax liability of \$150,000 or more shall make all  
14 payments required by rules of the Department by electronic  
15 funds transfer. Beginning October 1, 1994, a taxpayer who has  
16 an average monthly tax liability of \$100,000 or more shall  
17 make all payments required by rules of the Department by  
18 electronic funds transfer. Beginning October 1, 1995, a  
19 taxpayer who has an average monthly tax liability of \$50,000  
20 or more shall make all payments required by rules of the  
21 Department by electronic funds transfer. Beginning October 1,  
22 2000, a taxpayer who has an annual tax liability of \$200,000 or  
23 more shall make all payments required by rules of the  
24 Department by electronic funds transfer. The term "annual tax  
25 liability" shall be the sum of the taxpayer's liabilities  
26 under this Act, and under all other State and local occupation

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

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

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

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

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

26 Any amount which is required to be shown or reported on any

1 return or other document under this Act shall, if such amount  
2 is not a whole-dollar amount, be increased to the nearest  
3 whole-dollar amount in any case where the fractional part of a  
4 dollar is 50 cents or more, and decreased to the nearest  
5 whole-dollar amount where the fractional part of a dollar is  
6 less than 50 cents.

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

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

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

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

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

14           In addition, with respect to motor vehicles, watercraft,  
15 aircraft, and trailers that are required to be registered with  
16 an agency of this State, except as otherwise provided in this  
17 Section, every retailer selling this kind of tangible personal  
18 property shall file, with the Department, upon a form to be  
19 prescribed and supplied by the Department, a separate return  
20 for each such item of tangible personal property which the  
21 retailer sells, except that if, in the same transaction, (i) a  
22 retailer of aircraft, watercraft, motor vehicles or trailers  
23 transfers more than one aircraft, watercraft, motor vehicle or  
24 trailer to another aircraft, watercraft, motor vehicle  
25 retailer or trailer retailer for the purpose of resale or (ii)  
26 a retailer of aircraft, watercraft, motor vehicles, or

1 trailers transfers more than one aircraft, watercraft, motor  
2 vehicle, or trailer to a purchaser for use as a qualifying  
3 rolling stock as provided in Section 2-5 of this Act, then that  
4 seller may report the transfer of all aircraft, watercraft,  
5 motor vehicles or trailers involved in that transaction to the  
6 Department on the same uniform invoice-transaction reporting  
7 return form. For purposes of this Section, "watercraft" means  
8 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
9 3-2 of the Boat Registration and Safety Act, a personal  
10 watercraft, or any boat equipped with an inboard motor.

11 In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, every person who is engaged in the  
14 business of leasing or renting such items and who, in  
15 connection with such business, sells any such item to a  
16 retailer for the purpose of resale is, notwithstanding any  
17 other provision of this Section to the contrary, authorized to  
18 meet the return-filing requirement of this Act by reporting  
19 the transfer of all the aircraft, watercraft, motor vehicles,  
20 or trailers transferred for resale during a month to the  
21 Department on the same uniform invoice-transaction reporting  
22 return form on or before the 20th of the month following the  
23 month in which the transfer takes place. Notwithstanding any  
24 other provision of this Act to the contrary, all returns filed  
25 under this paragraph must be filed by electronic means in the  
26 manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,  
2 aircraft, or trailers that are required to be registered with  
3 an agency of this State, so that all retailers' occupation tax  
4 liability is required to be reported, and is reported, on such  
5 transaction reporting returns and who is not otherwise  
6 required to file monthly or quarterly returns, need not file  
7 monthly or quarterly returns. However, those retailers shall  
8 be required to file returns on an annual basis.

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

1 other information as is required in Section 5-402 of the  
2 Illinois Vehicle Code, and such other information as the  
3 Department may reasonably require.

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

21 Such transaction reporting return shall be filed not later  
22 than 20 days after the day of delivery of the item that is  
23 being sold, but may be filed by the retailer at any time sooner  
24 than that if he chooses to do so. The transaction reporting  
25 return and tax remittance or proof of exemption from the  
26 Illinois use tax may be transmitted to the Department by way of

1 the State agency with which, or State officer with whom the  
2 tangible personal property must be titled or registered (if  
3 titling or registration is required) if the Department and  
4 such agency or State officer determine that this procedure  
5 will expedite the processing of applications for title or  
6 registration.

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

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



1 mandate of this paragraph.

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

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

1 with respect to such receipts.

2 Where the seller is a corporation, the return filed on  
3 behalf of such corporation shall be signed by the president,  
4 vice-president, secretary or treasurer or by the properly  
5 accredited agent of such corporation.

6 Where the seller is a limited liability company, the  
7 return filed on behalf of the limited liability company shall  
8 be signed by a manager, member, or properly accredited agent  
9 of the limited liability company.

10 Except as provided in this Section, the retailer filing  
11 the return under this Section shall, at the time of filing such  
12 return, pay to the Department the amount of tax imposed by this  
13 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
14 on and after January 1, 1990, or \$5 per calendar year,  
15 whichever is greater, which is allowed to reimburse the  
16 retailer for the expenses incurred in keeping records,  
17 preparing and filing returns, remitting the tax and supplying  
18 data to the Department on request. On and after January 1,  
19 2021, a certified service provider, as defined in the Leveling  
20 the Playing Field for Illinois Retail Act, filing the return  
21 under this Section on behalf of a remote retailer shall, at the  
22 time of such return, pay to the Department the amount of tax  
23 imposed by this Act less a discount of 1.75%. A remote retailer  
24 using a certified service provider to file a return on its  
25 behalf, as provided in the Leveling the Playing Field for  
26 Illinois Retail Act, is not eligible for the discount. When

1 determining the discount allowed under this Section, retailers  
2 shall include the amount of tax that would have been due at the  
3 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
4 items under this amendatory Act of the 102nd General Assembly.

5 The discount under this Section is not allowed for the 1.25%  
6 portion of taxes paid on aviation fuel that is subject to the  
7 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
8 47133. Any prepayment made pursuant to Section 2d of this Act  
9 shall be included in the amount on which such 2.1% or 1.75%  
10 discount is computed. In the case of retailers who report and  
11 pay the tax on a transaction by transaction basis, as provided  
12 in this Section, such discount shall be taken with each such  
13 tax remittance instead of when such retailer files his  
14 periodic return. The discount allowed under this Section is  
15 allowed only for returns that are filed in the manner required  
16 by this Act. The Department may disallow the discount for  
17 retailers whose certificate of registration is revoked at the  
18 time the return is filed, but only if the Department's  
19 decision to revoke the certificate of registration has become  
20 final.

21 Before October 1, 2000, if the taxpayer's average monthly  
22 tax liability to the Department under this Act, the Use Tax  
23 Act, the Service Occupation Tax Act, and the Service Use Tax  
24 Act, excluding any liability for prepaid sales tax to be  
25 remitted in accordance with Section 2d of this Act, was  
26 \$10,000 or more during the preceding 4 complete calendar

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

1 equal to 22.5% of the taxpayer's actual liability for the  
2 month or 27.5% of the taxpayer's liability for the same  
3 calendar month of the preceding year. If the month during  
4 which such tax liability is incurred begins on or after  
5 January 1, 1987 and prior to January 1, 1988, each payment  
6 shall be in an amount equal to 22.5% of the taxpayer's actual  
7 liability for the month or 26.25% of the taxpayer's liability  
8 for the same calendar month of the preceding year. If the month  
9 during which such tax liability is incurred begins on or after  
10 January 1, 1988, and prior to January 1, 1989, or begins on or  
11 after January 1, 1996, each payment shall be in an amount equal  
12 to 22.5% of the taxpayer's actual liability for the month or  
13 25% of the taxpayer's liability for the same calendar month of  
14 the preceding year. If the month during which such tax  
15 liability is incurred begins on or after January 1, 1989, and  
16 prior to January 1, 1996, each payment shall be in an amount  
17 equal to 22.5% of the taxpayer's actual liability for the  
18 month or 25% of the taxpayer's liability for the same calendar  
19 month of the preceding year or 100% of the taxpayer's actual  
20 liability for the quarter monthly reporting period. The amount  
21 of such quarter monthly payments shall be credited against the  
22 final tax liability of the taxpayer's return for that month.  
23 Before October 1, 2000, once applicable, the requirement of  
24 the making of quarter monthly payments to the Department by  
25 taxpayers having an average monthly tax liability of \$10,000  
26 or more as determined in the manner provided above shall

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

1 to anticipate that his average monthly tax liability for the  
2 reasonably foreseeable future will fall below the \$20,000  
3 threshold stated above, then such taxpayer may petition the  
4 Department for a change in such taxpayer's reporting status.  
5 The Department shall change such taxpayer's reporting status  
6 unless it finds that such change is seasonal in nature and not  
7 likely to be long term. Quarter monthly payment status shall  
8 be determined under this paragraph as if the rate reduction to  
9 1.25% in this amendatory Act of the 102nd General Assembly on  
10 sales tax holiday items had not occurred. For quarter monthly  
11 payments due on or after July 1, 2023 and through June 30,  
12 2024, "25% of the taxpayer's liability for the same calendar  
13 month of the preceding year" shall be determined as if the rate  
14 reduction to 1.25% in this amendatory Act of the 102nd General  
15 Assembly on sales tax holiday items had not occurred. If any  
16 such quarter monthly payment is not paid at the time or in the  
17 amount required by this Section, then the taxpayer shall be  
18 liable for penalties and interest on the difference between  
19 the minimum amount due as a payment and the amount of such  
20 quarter monthly payment actually and timely paid, except  
21 insofar as the taxpayer has previously made payments for that  
22 month to the Department in excess of the minimum payments  
23 previously due as provided in this Section. The Department  
24 shall make reasonable rules and regulations to govern the  
25 quarter monthly payment amount and quarter monthly payment  
26 dates for taxpayers who file on other than a calendar monthly

1 basis.

2 The provisions of this paragraph apply before October 1,  
3 2001. Without regard to whether a taxpayer is required to make  
4 quarter monthly payments as specified above, any taxpayer who  
5 is required by Section 2d of this Act to collect and remit  
6 prepaid taxes and has collected prepaid taxes which average in  
7 excess of \$25,000 per month during the preceding 2 complete  
8 calendar quarters, shall file a return with the Department as  
9 required by Section 2f and shall make payments to the  
10 Department on or before the 7th, 15th, 22nd and last day of the  
11 month during which such liability is incurred. If the month  
12 during which such tax liability is incurred began prior to  
13 September 1, 1985 (the effective date of Public Act 84-221),  
14 each payment shall be in an amount not less than 22.5% of the  
15 taxpayer's actual liability under Section 2d. If the month  
16 during which such tax liability is incurred begins on or after  
17 January 1, 1986, each payment shall be in an amount equal to  
18 22.5% of the taxpayer's actual liability for the month or  
19 27.5% of the taxpayer's liability for the same calendar month  
20 of the preceding calendar year. If the month during which such  
21 tax liability is incurred begins on or after January 1, 1987,  
22 each payment shall be in an amount equal to 22.5% of the  
23 taxpayer's actual liability for the month or 26.25% of the  
24 taxpayer's liability for the same calendar month of the  
25 preceding year. The amount of such quarter monthly payments  
26 shall be credited against the final tax liability of the



1 taxpayer's return for that month filed under this Section or  
2 Section 2f, as the case may be. Once applicable, the  
3 requirement of the making of quarter monthly payments to the  
4 Department pursuant to this paragraph shall continue until  
5 such taxpayer's average monthly prepaid tax collections during  
6 the preceding 2 complete calendar quarters is \$25,000 or less.  
7 If any such quarter monthly payment is not paid at the time or  
8 in the amount required, the taxpayer shall be liable for  
9 penalties and interest on such difference, except insofar as  
10 the taxpayer has previously made payments for that month in  
11 excess of the minimum payments previously due.

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

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

16 If any payment provided for in this Section exceeds the  
17 taxpayer's liabilities under this Act, the Use Tax Act, the  
18 Service Occupation Tax Act and the Service Use Tax Act, as  
19 shown on an original monthly return, the Department shall, if  
20 requested by the taxpayer, issue to the taxpayer a credit  
21 memorandum no later than 30 days after the date of payment. The  
22 credit evidenced by such credit memorandum may be assigned by  
23 the taxpayer to a similar taxpayer under this Act, the Use Tax  
24 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
25 in accordance with reasonable rules and regulations to be  
26 prescribed by the Department. If no such request is made, the

1 taxpayer may credit such excess payment against tax liability  
2 subsequently to be remitted to the Department under this Act,  
3 the Use Tax Act, the Service Occupation Tax Act or the Service  
4 Use Tax Act, in accordance with reasonable rules and  
5 regulations prescribed by the Department. If the Department  
6 subsequently determined that all or any part of the credit  
7 taken was not actually due to the taxpayer, the taxpayer's  
8 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or  
9 1.75% of the difference between the credit taken and that  
10 actually due, and that taxpayer shall be liable for penalties  
11 and interest on such difference.

12 If a retailer of motor fuel is entitled to a credit under  
13 Section 2d of this Act which exceeds the taxpayer's liability  
14 to the Department under this Act for the month for which the  
15 taxpayer is filing a return, the Department shall issue the  
16 taxpayer a credit memorandum for the excess.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the Local Government Tax Fund, a special fund in the  
19 State treasury which is hereby created, the net revenue  
20 realized for the preceding month from the 1% tax imposed under  
21 this Act.

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the County and Mass Transit District Fund, a special  
24 fund in the State treasury which is hereby created, 4% of the  
25 net revenue realized for the preceding month from the 6.25%  
26 general rate other than aviation fuel sold on or after

1 December 1, 2019. This exception for aviation fuel only  
2 applies for so long as the revenue use requirements of 49  
3 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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. If, in any  
8 month, the tax on sales tax holiday items, as defined in  
9 Section 2-8, is imposed at the rate of 1.25%, then ~~Beginning~~  
10 ~~September 1, 2010, each month~~ the Department shall pay ~~into~~  
11 ~~the County and Mass Transit District Fund~~ 20% of the net  
12 revenue realized for that ~~the preceding~~ month from the 1.25%  
13 rate on the selling price of sales tax holiday items into the  
14 County and Mass Transit District Fund.

15 Beginning January 1, 1990, each month the Department shall  
16 pay into the Local Government Tax Fund 16% of the net revenue  
17 realized for the preceding month from the 6.25% general rate  
18 on the selling price of tangible personal property other than  
19 aviation fuel sold on or after December 1, 2019. This  
20 exception for aviation fuel only applies for so long as the  
21 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
22 47133 are binding on the State.

23 For aviation fuel sold on or after December 1, 2019, each  
24 month the Department shall pay into the State Aviation Program  
25 Fund 20% of the net revenue realized for the preceding month  
26 from the 6.25% general rate on the selling price of aviation

1 fuel, less an amount estimated by the Department to be  
2 required for refunds of the 20% portion of the tax on aviation  
3 fuel under this Act, which amount shall be deposited into the  
4 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
5 pay moneys into the State Aviation Program Fund and the  
6 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
7 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
8 U.S.C. 47133 are binding on the State.

9 Beginning August 1, 2000, each month the Department shall  
10 pay into the Local Government Tax Fund 80% of the net revenue  
11 realized for the preceding month from the 1.25% rate on the  
12 selling price of motor fuel and gasohol. If, in any month, the  
13 tax on sales tax holiday items, as defined in Section 2-8, is  
14 imposed at the rate of 1.25%, then ~~Beginning September 1,~~  
15 ~~2010, each month~~ the Department shall pay ~~into the Local~~  
16 ~~Government Tax Fund~~ 80% of the net revenue realized for that  
17 ~~the preceding~~ month from the 1.25% rate on the selling price of  
18 sales tax holiday items into the Local Government Tax Fund.

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

26 Beginning July 1, 2011, each month the Department shall

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

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

24 Beginning July 1, 2015, of the remainder of the moneys  
25 received by the Department under the Use Tax Act, the Service  
26 Use Tax Act, the Service Occupation Tax Act, and this Act, each

1 month the Department shall deposit \$500,000 into the State  
2 Crime Laboratory Fund.

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

23	Fiscal Year	Annual Specified Amount
24	1986	\$54,800,000
25	1987	\$76,650,000
26	1988	\$80,480,000

1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

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



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

1 and charge set forth in Section 12 of the Build Illinois Bond  
2 Act.

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

15	Fiscal Year	Total Deposit
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
26	2003	99,000,000

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	300,000,000
19	2022	300,000,000
20	2023	300,000,000
21	2024	300,000,000
22	2025	300,000,000
23	2026	300,000,000
24	2027	375,000,000
25	2028	375,000,000
26	2029	375,000,000

1	2030	375,000,000
2	2031	375,000,000
3	2032	375,000,000
4	2033	375,000,000
5	2034	375,000,000
6	2035	375,000,000
7	2036	450,000,000

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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

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

3 Subject to payment of amounts into the Capital Projects  
4 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
5 and the McCormick Place Expansion Project Fund pursuant to the  
6 preceding paragraphs or in any amendments thereto hereafter  
7 enacted, for aviation fuel sold on or after December 1, 2019,  
8 the Department shall each month deposit into the Aviation Fuel  
9 Sales Tax Refund Fund an amount estimated by the Department to  
10 be required for refunds of the 80% portion of the tax on  
11 aviation fuel under this Act. The Department shall only  
12 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
13 under this paragraph for so long as the revenue use  
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
15 binding on the State.

16 Subject to payment of amounts into the Build Illinois Fund  
17 and the McCormick Place Expansion Project Fund pursuant to the  
18 preceding paragraphs or in any amendments thereto hereafter  
19 enacted, beginning July 1, 1993 and ending on September 30,  
20 2013, the Department shall each month pay into the Illinois  
21 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
22 the preceding month from the 6.25% general rate on the selling  
23 price of tangible personal property.

24 Subject to payment of amounts into the Build Illinois Fund  
25 and the McCormick Place Expansion Project Fund pursuant to the  
26 preceding paragraphs or in any amendments thereto hereafter

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

11 Subject to payment of amounts into the Build Illinois  
12 Fund, the McCormick Place Expansion Project Fund, the Illinois  
13 Tax Increment Fund, and the Energy Infrastructure Fund  
14 pursuant to the preceding paragraphs or in any amendments to  
15 this Section hereafter enacted, beginning on the first day of  
16 the first calendar month to occur on or after August 26, 2014  
17 (the effective date of Public Act 98-1098), each month, from  
18 the collections made under Section 9 of the Use Tax Act,  
19 Section 9 of the Service Use Tax Act, Section 9 of the Service  
20 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
21 Tax Act, the Department shall pay into the Tax Compliance and  
22 Administration Fund, to be used, subject to appropriation, to  
23 fund additional auditors and compliance personnel at the  
24 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
25 the cash receipts collected during the preceding fiscal year  
26 by the Audit Bureau of the Department under the Use Tax Act,

1 the Service Use Tax Act, the Service Occupation Tax Act, the  
2 Retailers' Occupation Tax Act, and associated local occupation  
3 and use taxes administered by the Department.

4 Subject to payments of amounts into the Build Illinois  
5 Fund, the McCormick Place Expansion Project Fund, the Illinois  
6 Tax Increment Fund, the Energy Infrastructure Fund, and the  
7 Tax Compliance and Administration Fund as provided in this  
8 Section, beginning on July 1, 2018 the Department shall pay  
9 each month into the Downstate Public Transportation Fund the  
10 moneys required to be so paid under Section 2-3 of the  
11 Downstate Public Transportation Act.

12 Subject to successful execution and delivery of a  
13 public-private agreement between the public agency and private  
14 entity and completion of the civic build, beginning on July 1,  
15 2023, of the remainder of the moneys received by the  
16 Department under the Use Tax Act, the Service Use Tax Act, the  
17 Service Occupation Tax Act, and this Act, the Department shall  
18 deposit the following specified deposits in the aggregate from  
19 collections under the Use Tax Act, the Service Use Tax Act, the  
20 Service Occupation Tax Act, and the Retailers' Occupation Tax  
21 Act, as required under Section 8.25g of the State Finance Act  
22 for distribution consistent with the Public-Private  
23 Partnership for Civic and Transit Infrastructure Project Act.  
24 The moneys received by the Department pursuant to this Act and  
25 required to be deposited into the Civic and Transit  
26 Infrastructure Fund are subject to the pledge, claim and

1 charge set forth in Section 25-55 of the Public-Private  
 2 Partnership for Civic and Transit Infrastructure Project Act.  
 3 As used in this paragraph, "civic build", "private entity",  
 4 "public-private agreement", and "public agency" have the  
 5 meanings provided in Section 25-10 of the Public-Private  
 6 Partnership for Civic and Transit Infrastructure Project Act.

	Fiscal Year.....	Total Deposit
8	2024 .....	\$200,000,000
9	2025 .....	\$206,000,000
10	2026 .....	\$212,200,000
11	2027 .....	\$218,500,000
12	2028 .....	\$225,100,000
13	2029 .....	\$288,700,000
14	2030 .....	\$298,900,000
15	2031 .....	\$309,300,000
16	2032 .....	\$320,100,000
17	2033 .....	\$331,200,000
18	2034 .....	\$341,200,000
19	2035 .....	\$351,400,000
20	2036 .....	\$361,900,000
21	2037 .....	\$372,800,000
22	2038 .....	\$384,000,000
23	2039 .....	\$395,500,000
24	2040 .....	\$407,400,000
25	2041 .....	\$419,600,000
26	2042 .....	\$432,200,000



1           2043 ..... \$445,100,000

2           Beginning July 1, 2021 and until July 1, 2022, subject to  
3 the payment of amounts into the County and Mass Transit  
4 District Fund, the Local Government Tax Fund, the Build  
5 Illinois Fund, the McCormick Place Expansion Project Fund, the  
6 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
7 and the Tax Compliance and Administration Fund as provided in  
8 this Section, the Department shall pay each month into the  
9 Road Fund the amount estimated to represent 16% of the net  
10 revenue realized from the taxes imposed on motor fuel and  
11 gasohol. Beginning July 1, 2022 and until July 1, 2023,  
12 subject to the payment of amounts into the County and Mass  
13 Transit District Fund, the Local Government Tax Fund, the  
14 Build Illinois Fund, the McCormick Place Expansion Project  
15 Fund, the Illinois Tax Increment Fund, the Energy  
16 Infrastructure Fund, and the Tax Compliance and Administration  
17 Fund as provided in this Section, the Department shall pay  
18 each month into the Road Fund the amount estimated to  
19 represent 32% of the net revenue realized from the taxes  
20 imposed on motor fuel and gasohol. Beginning July 1, 2023 and  
21 until July 1, 2024, subject to the payment of amounts into the  
22 County and Mass Transit District Fund, the Local Government  
23 Tax Fund, the Build Illinois Fund, the McCormick Place  
24 Expansion Project Fund, the Illinois Tax Increment Fund, the  
25 Energy Infrastructure Fund, and the Tax Compliance and  
26 Administration Fund as provided in this Section, the

1 Department shall pay each month into the Road Fund the amount  
2 estimated to represent 48% of the net revenue realized from  
3 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
4 2024 and until July 1, 2025, subject to the payment of amounts  
5 into the County and Mass Transit District Fund, the Local  
6 Government Tax Fund, the Build Illinois Fund, the McCormick  
7 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
8 the Energy Infrastructure Fund, and the Tax Compliance and  
9 Administration Fund as provided in this Section, the  
10 Department shall pay each month into the Road Fund the amount  
11 estimated to represent 64% of the net revenue realized from  
12 the taxes imposed on motor fuel and gasohol. Beginning on July  
13 1, 2025, subject to the payment of amounts into the County and  
14 Mass Transit District Fund, the Local Government Tax Fund, the  
15 Build Illinois Fund, the McCormick Place Expansion Project  
16 Fund, the Illinois Tax Increment Fund, the Energy  
17 Infrastructure Fund, and the Tax Compliance and Administration  
18 Fund as provided in this Section, the Department shall pay  
19 each month into the Road Fund the amount estimated to  
20 represent 80% of the net revenue realized from the taxes  
21 imposed on motor fuel and gasohol. As used in this paragraph  
22 "motor fuel" has the meaning given to that term in Section 1.1  
23 of the Motor Fuel Tax Act, and "gasohol" has the meaning given  
24 to that term in Section 3-40 of the Use Tax Act.

25 Of the remainder of the moneys received by the Department  
26 pursuant to this Act, 75% thereof shall be paid into the State

1 Treasury and 25% shall be reserved in a special account and  
2 used only for the transfer to the Common School Fund as part of  
3 the monthly transfer from the General Revenue Fund in  
4 accordance with Section 8a of the State Finance Act.

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

1 this Section.

2 If the annual information return required by this Section  
3 is not filed when and as required, the taxpayer shall be liable  
4 as follows:

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

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

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

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

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

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

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

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

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

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

1 imposition of this requirement. In the absence of notification  
2 by the Department, the concessionaires and other sellers shall  
3 file their returns as otherwise required in this Section.

4 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;  
5 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.  
6 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;  
7 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised  
8 12-7-21.)

9 Section 65-15. The State Finance Act is amended by  
10 changing Sections 6z-18 and 6z-20 as follows:

11 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

12 Sec. 6z-18. Local Government Tax Fund. A portion of the  
13 money paid into the Local Government Tax Fund from sales of  
14 tangible personal property taxed at the 1% rate under the  
15 Retailers' Occupation Tax Act and the Service Occupation Tax  
16 Act, which occurred in municipalities, shall be distributed to  
17 each municipality based upon the sales which occurred in that  
18 municipality. The remainder shall be distributed to each  
19 county based upon the sales which occurred in the  
20 unincorporated area of that county.

21 A portion of the money paid into the Local Government Tax  
22 Fund from the 6.25% general use tax rate on the selling price  
23 of tangible personal property which is purchased outside  
24 Illinois at retail from a retailer and which is titled or

1 registered by any agency of this State's government shall be  
2 distributed to municipalities as provided in this paragraph.  
3 Each municipality shall receive the amount attributable to  
4 sales for which Illinois addresses for titling or registration  
5 purposes are given as being in such municipality. The  
6 remainder of the money paid into the Local Government Tax Fund  
7 from such sales shall be distributed to counties. Each county  
8 shall receive the amount attributable to sales for which  
9 Illinois addresses for titling or registration purposes are  
10 given as being located in the unincorporated area of such  
11 county.

12 A portion of the money paid into the Local Government Tax  
13 Fund from the 6.25% general rate (and, beginning July 1, 2000  
14 and through December 31, 2000, the 1.25% rate on motor fuel and  
15 gasohol, and beginning on August 6, 2010 through August 15,  
16 2010, and beginning again on August 5, 2022 through August 14,  
17 2022, the 1.25% rate on sales tax holiday items) on sales  
18 subject to taxation under the Retailers' Occupation Tax Act  
19 and the Service Occupation Tax Act, which occurred in  
20 municipalities, shall be distributed to each municipality,  
21 based upon the sales which occurred in that municipality. The  
22 remainder shall be distributed to each county, based upon the  
23 sales which occurred in the unincorporated area of such  
24 county.

25 For the purpose of determining allocation to the local  
26 government unit, a retail sale by a producer of coal or other



1 mineral mined in Illinois is a sale at retail at the place  
2 where the coal or other mineral mined in Illinois is extracted  
3 from the earth. This paragraph does not apply to coal or other  
4 mineral when it is delivered or shipped by the seller to the  
5 purchaser at a point outside Illinois so that the sale is  
6 exempt under the United States Constitution as a sale in  
7 interstate or foreign commerce.

8 Whenever the Department determines that a refund of money  
9 paid into the Local Government Tax Fund should be made to a  
10 claimant instead of issuing a credit memorandum, the  
11 Department shall notify the State Comptroller, who shall cause  
12 the order to be drawn for the amount specified, and to the  
13 person named, in such notification from the Department. Such  
14 refund shall be paid by the State Treasurer out of the Local  
15 Government Tax Fund.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the  
18 Department of Revenue, the Comptroller shall order  
19 transferred, and the Treasurer shall transfer, to the STAR  
20 Bonds Revenue Fund the local sales tax increment, as defined  
21 in the Innovation Development and Economy Act, collected  
22 during the second preceding calendar month for sales within a  
23 STAR bond district and deposited into the Local Government Tax  
24 Fund, less 3% of that amount, which shall be transferred into  
25 the Tax Compliance and Administration Fund and shall be used  
26 by the Department, subject to appropriation, to cover the

1 costs of the Department in administering the Innovation  
2 Development and Economy Act.

3 After the monthly transfer to the STAR Bonds Revenue Fund,  
4 on or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to named municipalities  
7 and counties, the municipalities and counties to be those  
8 entitled to distribution of taxes or penalties paid to the  
9 Department during the second preceding calendar month. The  
10 amount to be paid to each municipality or county shall be the  
11 amount (not including credit memoranda) collected during the  
12 second preceding calendar month by the Department and paid  
13 into the Local Government Tax Fund, plus an amount the  
14 Department determines is necessary to offset any amounts which  
15 were erroneously paid to a different taxing body, and not  
16 including an amount equal to the amount of refunds made during  
17 the second preceding calendar month by the Department, and not  
18 including any amount which the Department determines is  
19 necessary to offset any amounts which are payable to a  
20 different taxing body but were erroneously paid to the  
21 municipality or county, and not including any amounts that are  
22 transferred to the STAR Bonds Revenue Fund. Within 10 days  
23 after receipt, by the Comptroller, of the disbursement  
24 certification to the municipalities and counties, provided for  
25 in this Section to be given to the Comptroller by the  
26 Department, the Comptroller shall cause the orders to be drawn

1 for the respective amounts in accordance with the directions  
2 contained in such certification.

3 When certifying the amount of monthly disbursement to a  
4 municipality or county under this Section, the Department  
5 shall increase or decrease that amount by an amount necessary  
6 to offset any misallocation of previous disbursements. The  
7 offset amount shall be the amount erroneously disbursed within  
8 the 6 months preceding the time a misallocation is discovered.

9 The provisions directing the distributions from the  
10 special fund in the State Treasury provided for in this  
11 Section shall constitute an irrevocable and continuing  
12 appropriation of all amounts as provided herein. The State  
13 Treasurer and State Comptroller are hereby authorized to make  
14 distributions as provided in this Section.

15 In construing any development, redevelopment, annexation,  
16 preannexation or other lawful agreement in effect prior to  
17 September 1, 1990, which describes or refers to receipts from  
18 a county or municipal retailers' occupation tax, use tax or  
19 service occupation tax which now cannot be imposed, such  
20 description or reference shall be deemed to include the  
21 replacement revenue for such abolished taxes, distributed from  
22 the Local Government Tax Fund.

23 As soon as possible after the effective date of this  
24 amendatory Act of the 98th General Assembly, the State  
25 Comptroller shall order and the State Treasurer shall transfer  
26 \$6,600,000 from the Local Government Tax Fund to the Illinois

1 State Medical Disciplinary Fund.

2 (Source: P.A. 100-1171, eff. 1-4-19.)

3 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

4 Sec. 6z-20. County and Mass Transit District Fund. Of the  
5 money received from the 6.25% general rate (and, beginning  
6 July 1, 2000 and through December 31, 2000, the 1.25% rate on  
7 motor fuel and gasohol, and beginning on August 6, 2010  
8 through August 15, 2010, and beginning again on August 5, 2022  
9 through August 14, 2022, the 1.25% rate on sales tax holiday  
10 items) on sales subject to taxation under the Retailers'  
11 Occupation Tax Act and Service Occupation Tax Act and paid  
12 into the County and Mass Transit District Fund, distribution  
13 to the Regional Transportation Authority tax fund, created  
14 pursuant to Section 4.03 of the Regional Transportation  
15 Authority Act, for deposit therein shall be made based upon  
16 the retail sales occurring in a county having more than  
17 3,000,000 inhabitants. The remainder shall be distributed to  
18 each county having 3,000,000 or fewer inhabitants based upon  
19 the retail sales occurring in each such county.

20 For the purpose of determining allocation to the local  
21 government unit, a retail sale by a producer of coal or other  
22 mineral mined in Illinois is a sale at retail at the place  
23 where the coal or other mineral mined in Illinois is extracted  
24 from the earth. This paragraph does not apply to coal or other  
25 mineral when it is delivered or shipped by the seller to the

1 purchaser at a point outside Illinois so that the sale is  
2 exempt under the United States Constitution as a sale in  
3 interstate or foreign commerce.

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

23 Whenever the Department determines that a refund of money  
24 paid into the County and Mass Transit District Fund should be  
25 made to a claimant instead of issuing a credit memorandum, the  
26 Department shall notify the State Comptroller, who shall cause

1 the order to be drawn for the amount specified, and to the  
2 person named, in such notification from the Department. Such  
3 refund shall be paid by the State Treasurer out of the County  
4 and Mass Transit District Fund.

5 As soon as possible after the first day of each month,  
6 beginning January 1, 2011, upon certification of the  
7 Department of Revenue, the Comptroller shall order  
8 transferred, and the Treasurer shall transfer, to the STAR  
9 Bonds Revenue Fund the local sales tax increment, as defined  
10 in the Innovation Development and Economy Act, collected  
11 during the second preceding calendar month for sales within a  
12 STAR bond district and deposited into the County and Mass  
13 Transit District Fund, less 3% of that amount, which shall be  
14 transferred into the Tax Compliance and Administration Fund  
15 and shall be used by the Department, subject to appropriation,  
16 to cover the costs of the Department in administering the  
17 Innovation Development and Economy Act.

18 After the monthly transfer to the STAR Bonds Revenue Fund,  
19 on or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to the Regional  
22 Transportation Authority and to named counties, the counties  
23 to be those entitled to distribution, as hereinabove provided,  
24 of taxes or penalties paid to the Department during the second  
25 preceding calendar month. The amount to be paid to the  
26 Regional Transportation Authority and each county having

1 3,000,000 or fewer inhabitants shall be the amount (not  
2 including credit memoranda) collected during the second  
3 preceding calendar month by the Department and paid into the  
4 County and Mass Transit District Fund, plus an amount the  
5 Department determines is necessary to offset any amounts which  
6 were erroneously paid to a different taxing body, and not  
7 including an amount equal to the amount of refunds made during  
8 the second preceding calendar month by the Department, and not  
9 including any amount which the Department determines is  
10 necessary to offset any amounts which were payable to a  
11 different taxing body but were erroneously paid to the  
12 Regional Transportation Authority or county, and not including  
13 any amounts that are transferred to the STAR Bonds Revenue  
14 Fund, less 1.5% of the amount to be paid to the Regional  
15 Transportation Authority, which shall be transferred into the  
16 Tax Compliance and Administration Fund. The Department, at the  
17 time of each monthly disbursement to the Regional  
18 Transportation Authority, shall prepare and certify to the  
19 State Comptroller the amount to be transferred into the Tax  
20 Compliance and Administration Fund under this Section. Within  
21 10 days after receipt, by the Comptroller, of the disbursement  
22 certification to the Regional Transportation Authority,  
23 counties, and the Tax Compliance and Administration Fund  
24 provided for in this Section to be given to the Comptroller by  
25 the Department, the Comptroller shall cause the orders to be  
26 drawn for the respective amounts in accordance with the

1 directions contained in such certification.

2 When certifying the amount of a monthly disbursement to  
3 the Regional Transportation Authority or to a county under  
4 this Section, the Department shall increase or decrease that  
5 amount by an amount necessary to offset any misallocation of  
6 previous disbursements. The offset amount shall be the amount  
7 erroneously disbursed within the 6 months preceding the time a  
8 misallocation is discovered.

9 The provisions directing the distributions from the  
10 special fund in the State Treasury provided for in this  
11 Section and from the Regional Transportation Authority tax  
12 fund created by Section 4.03 of the Regional Transportation  
13 Authority Act shall constitute an irrevocable and continuing  
14 appropriation of all amounts as provided herein. The State  
15 Treasurer and State Comptroller are hereby authorized to make  
16 distributions as provided in this Section.

17 In construing any development, redevelopment, annexation,  
18 preannexation or other lawful agreement in effect prior to  
19 September 1, 1990, which describes or refers to receipts from  
20 a county or municipal retailers' occupation tax, use tax or  
21 service occupation tax which now cannot be imposed, such  
22 description or reference shall be deemed to include the  
23 replacement revenue for such abolished taxes, distributed from  
24 the County and Mass Transit District Fund or Local Government  
25 Distributive Fund, as the case may be.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)



1                                   ARTICLE 70. BREAST PUMPS

2           Section 70-5. The Use Tax Act is amended by changing  
3 Section 3-5 as follows:

4           (35 ILCS 105/3-5)

5           Sec. 3-5. Exemptions. Use of the following tangible  
6 personal property is exempt from the tax imposed by this Act:

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

14           (2) Personal property purchased by a not-for-profit  
15 Illinois county fair association for use in conducting,  
16 operating, or promoting the county fair.

17           (3) Personal property purchased by a not-for-profit arts  
18 or cultural organization that establishes, by proof required  
19 by the Department by rule, that it has received an exemption  
20 under Section 501(c)(3) of the Internal Revenue Code and that  
21 is organized and operated primarily for the presentation or  
22 support of arts or cultural programming, activities, or  
23 services. These organizations include, but are not limited to,

1 music and dramatic arts organizations such as symphony  
2 orchestras and theatrical groups, arts and cultural service  
3 organizations, local arts councils, visual arts organizations,  
4 and media arts organizations. On and after July 1, 2001 (the  
5 effective date of Public Act 92-35), however, an entity  
6 otherwise eligible for this exemption shall not make tax-free  
7 purchases unless it has an active identification number issued  
8 by the Department.

9 (4) Personal property purchased by a governmental body, by  
10 a corporation, society, association, foundation, or  
11 institution organized and operated exclusively for charitable,  
12 religious, or educational purposes, or by a not-for-profit  
13 corporation, society, association, foundation, institution, or  
14 organization that has no compensated officers or employees and  
15 that is organized and operated primarily for the recreation of  
16 persons 55 years of age or older. A limited liability company  
17 may qualify for the exemption under this paragraph only if the  
18 limited liability company is organized and operated  
19 exclusively for educational purposes. On and after July 1,  
20 1987, however, no entity otherwise eligible for this exemption  
21 shall make tax-free purchases unless it has an active  
22 exemption identification number issued by the Department.

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

26 (6) Until July 1, 2003 and beginning again on September 1,

1 2004 through August 30, 2014, graphic arts machinery and  
2 equipment, including repair and replacement parts, both new  
3 and used, and including that manufactured on special order,  
4 certified by the purchaser to be used primarily for graphic  
5 arts production, and including machinery and equipment  
6 purchased for lease. Equipment includes chemicals or chemicals  
7 acting as catalysts but only if the chemicals or chemicals  
8 acting as catalysts effect a direct and immediate change upon  
9 a graphic arts product. Beginning on July 1, 2017, graphic  
10 arts machinery and equipment is included in the manufacturing  
11 and assembling machinery and equipment exemption under  
12 paragraph (18).

13 (7) Farm chemicals.

14 (8) Legal tender, currency, medallions, or gold or silver  
15 coinage issued by the State of Illinois, the government of the  
16 United States of America, or the government of any foreign  
17 country, and bullion.

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

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

24 (11) Farm machinery and equipment, both new and used,  
25 including that manufactured on special order, certified by the  
26 purchaser to be used primarily for production agriculture or

1 State or federal agricultural programs, including individual  
2 replacement parts for the machinery and equipment, including  
3 machinery and equipment purchased for lease, and including  
4 implements of husbandry defined in Section 1-130 of the  
5 Illinois Vehicle Code, farm machinery and agricultural  
6 chemical and fertilizer spreaders, and nurse wagons required  
7 to be registered under Section 3-809 of the Illinois Vehicle  
8 Code, but excluding other motor vehicles required to be  
9 registered under the Illinois Vehicle Code. Horticultural  
10 polyhouses or hoop houses used for propagating, growing, or  
11 overwintering plants shall be considered farm machinery and  
12 equipment under this item (11). Agricultural chemical tender  
13 tanks and dry boxes shall include units sold separately from a  
14 motor vehicle required to be licensed and units sold mounted  
15 on a motor vehicle required to be licensed if the selling price  
16 of the tender is separately stated.

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

25 Farm machinery and equipment also includes computers,  
26 sensors, software, and related equipment used primarily in the

1 computer-assisted operation of production agriculture  
2 facilities, equipment, and activities such as, but not limited  
3 to, the collection, monitoring, and correlation of animal and  
4 crop data for the purpose of formulating animal diets and  
5 agricultural chemicals. This item (11) is exempt from the  
6 provisions of Section 3-90.

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

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

24 (13) Proceeds of mandatory service charges separately  
25 stated on customers' bills for the purchase and consumption of  
26 food and beverages purchased at retail from a retailer, to the

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

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

16 (15) Photoprocessing machinery and equipment, including  
17 repair and replacement parts, both new and used, including  
18 that manufactured on special order, certified by the purchaser  
19 to be used primarily for photoprocessing, and including  
20 photoprocessing machinery and equipment purchased for lease.

21 (16) Until July 1, 2023, coal and aggregate exploration,  
22 mining, off-highway hauling, processing, maintenance, and  
23 reclamation equipment, including replacement parts and  
24 equipment, and including equipment purchased for lease, but  
25 excluding motor vehicles required to be registered under the  
26 Illinois Vehicle Code. The changes made to this Section by

1 Public Act 97-767 apply on and after July 1, 2003, but no claim  
2 for credit or refund is allowed on or after August 16, 2013  
3 (the effective date of Public Act 98-456) for such taxes paid  
4 during the period beginning July 1, 2003 and ending on August  
5 16, 2013 (the effective date of Public Act 98-456).

6 (17) Until July 1, 2003, distillation machinery and  
7 equipment, sold as a unit or kit, assembled or installed by the  
8 retailer, certified by the user to be used only for the  
9 production of ethyl alcohol that will be used for consumption  
10 as motor fuel or as a component of motor fuel for the personal  
11 use of the user, and not subject to sale or resale.

12 (18) Manufacturing and assembling machinery and equipment  
13 used primarily in the process of manufacturing or assembling  
14 tangible personal property for wholesale or retail sale or  
15 lease, whether that sale or lease is made directly by the  
16 manufacturer or by some other person, whether the materials  
17 used in the process are owned by the manufacturer or some other  
18 person, or whether that sale or lease is made apart from or as  
19 an incident to the seller's engaging in the service occupation  
20 of producing machines, tools, dies, jigs, patterns, gauges, or  
21 other similar items of no commercial value on special order  
22 for a particular purchaser. The exemption provided by this  
23 paragraph (18) includes production related tangible personal  
24 property, as defined in Section 3-50, purchased on or after  
25 July 1, 2019. The exemption provided by this paragraph (18)  
26 does not include machinery and equipment used in (i) the

1 generation of electricity for wholesale or retail sale; (ii)  
2 the generation or treatment of natural or artificial gas for  
3 wholesale or retail sale that is delivered to customers  
4 through pipes, pipelines, or mains; or (iii) the treatment of  
5 water for wholesale or retail sale that is delivered to  
6 customers through pipes, pipelines, or mains. The provisions  
7 of Public Act 98-583 are declaratory of existing law as to the  
8 meaning and scope of this exemption. Beginning on July 1,  
9 2017, the exemption provided by this paragraph (18) includes,  
10 but is not limited to, graphic arts machinery and equipment,  
11 as defined in paragraph (6) of this Section.

12 (19) Personal property delivered to a purchaser or  
13 purchaser's donee inside Illinois when the purchase order for  
14 that personal property was received by a florist located  
15 outside Illinois who has a florist located inside Illinois  
16 deliver the personal property.

17 (20) Semen used for artificial insemination of livestock  
18 for direct agricultural production.

19 (21) Horses, or interests in horses, registered with and  
20 meeting the requirements of any of the Arabian Horse Club  
21 Registry of America, Appaloosa Horse Club, American Quarter  
22 Horse Association, United States Trotting Association, or  
23 Jockey Club, as appropriate, used for purposes of breeding or  
24 racing for prizes. This item (21) is exempt from the  
25 provisions of Section 3-90, and the exemption provided for  
26 under this item (21) applies for all periods beginning May 30,



1 1995, but no claim for credit or refund is allowed on or after  
2 January 1, 2008 for such taxes paid during the period  
3 beginning May 30, 2000 and ending on January 1, 2008.

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

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

22           (24) Beginning with taxable years ending on or after  
23 December 31, 1995 and ending with taxable years ending on or  
24 before December 31, 2004, personal property that is donated  
25 for disaster relief to be used in a State or federally declared  
26 disaster area in Illinois or bordering Illinois by a

1 manufacturer or retailer that is registered in this State to a  
2 corporation, society, association, foundation, or institution  
3 that has been issued a sales tax exemption identification  
4 number by the Department that assists victims of the disaster  
5 who reside within the declared disaster area.

6 (25) Beginning with taxable years ending on or after  
7 December 31, 1995 and ending with taxable years ending on or  
8 before December 31, 2004, personal property that is used in  
9 the performance of infrastructure repairs in this State,  
10 including but not limited to municipal roads and streets,  
11 access roads, bridges, sidewalks, waste disposal systems,  
12 water and sewer line extensions, water distribution and  
13 purification facilities, storm water drainage and retention  
14 facilities, and sewage treatment facilities, resulting from a  
15 State or federally declared disaster in Illinois or bordering  
16 Illinois when such repairs are initiated on facilities located  
17 in the declared disaster area within 6 months after the  
18 disaster.

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

23 (27) A motor vehicle, as that term is defined in Section  
24 1-146 of the Illinois Vehicle Code, that is donated to a  
25 corporation, limited liability company, society, association,  
26 foundation, or institution that is determined by the

1 Department to be organized and operated exclusively for  
2 educational purposes. For purposes of this exemption, "a  
3 corporation, limited liability company, society, association,  
4 foundation, or institution organized and operated exclusively  
5 for educational purposes" means all tax-supported public  
6 schools, private schools that offer systematic instruction in  
7 useful branches of learning by methods common to public  
8 schools and that compare favorably in their scope and  
9 intensity with the course of study presented in tax-supported  
10 schools, and vocational or technical schools or institutes  
11 organized and operated exclusively to provide a course of  
12 study of not less than 6 weeks duration and designed to prepare  
13 individuals to follow a trade or to pursue a manual,  
14 technical, mechanical, industrial, business, or commercial  
15 occupation.

16 (28) Beginning January 1, 2000, personal property,  
17 including food, purchased through fundraising events for the  
18 benefit of a public or private elementary or secondary school,  
19 a group of those schools, or one or more school districts if  
20 the events are sponsored by an entity recognized by the school  
21 district that consists primarily of volunteers and includes  
22 parents and teachers of the school children. This paragraph  
23 does not apply to fundraising events (i) for the benefit of  
24 private home instruction or (ii) for which the fundraising  
25 entity purchases the personal property sold at the events from  
26 another individual or entity that sold the property for the

1 purpose of resale by the fundraising entity and that profits  
2 from the sale to the fundraising entity. This paragraph is  
3 exempt from the provisions of Section 3-90.

4 (29) Beginning January 1, 2000 and through December 31,  
5 2001, new or used automatic vending machines that prepare and  
6 serve hot food and beverages, including coffee, soup, and  
7 other items, and replacement parts for these machines.  
8 Beginning January 1, 2002 and through June 30, 2003, machines  
9 and parts for machines used in commercial, coin-operated  
10 amusement and vending business if a use or occupation tax is  
11 paid on the gross receipts derived from the use of the  
12 commercial, coin-operated amusement and vending machines. This  
13 paragraph is exempt from the provisions of Section 3-90.

14 (30) Beginning January 1, 2001 and through June 30, 2016,  
15 food for human consumption that is to be consumed off the  
16 premises where it is sold (other than alcoholic beverages,  
17 soft drinks, and food that has been prepared for immediate  
18 consumption) and prescription and nonprescription medicines,  
19 drugs, medical appliances, and insulin, urine testing  
20 materials, syringes, and needles used by diabetics, for human  
21 use, when purchased for use by a person receiving medical  
22 assistance under Article V of the Illinois Public Aid Code who  
23 resides in a licensed long-term care facility, as defined in  
24 the Nursing Home Care Act, or in a licensed facility as defined  
25 in the ID/DD Community Care Act, the MC/DD Act, or the  
26 Specialized Mental Health Rehabilitation Act of 2013.

1           (31) Beginning on August 2, 2001 (the effective date of  
2 Public Act 92-227), computers and communications equipment  
3 utilized for any hospital purpose and equipment used in the  
4 diagnosis, analysis, or treatment of hospital patients  
5 purchased by a lessor who leases the equipment, under a lease  
6 of one year or longer executed or in effect at the time the  
7 lessor would otherwise be subject to the tax imposed by this  
8 Act, to a hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of  
10 the Retailers' Occupation Tax Act. If the equipment is leased  
11 in a manner that does not qualify for this exemption or is used  
12 in any other nonexempt manner, the lessor shall be liable for  
13 the tax imposed under this Act or the Service Use Tax Act, as  
14 the case may be, based on the fair market value of the property  
15 at the time the nonqualifying use occurs. No lessor shall  
16 collect or attempt to collect an amount (however designated)  
17 that purports to reimburse that lessor for the tax imposed by  
18 this Act or the Service Use Tax Act, as the case may be, if the  
19 tax has not been paid by the lessor. If a lessor improperly  
20 collects any such amount from the lessee, the lessee shall  
21 have a legal right to claim a refund of that amount from the  
22 lessor. If, however, that amount is not refunded to the lessee  
23 for any reason, the lessor is liable to pay that amount to the  
24 Department. This paragraph is exempt from the provisions of  
25 Section 3-90.

26           (32) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227), personal property purchased by a lessor  
2 who leases the property, under a lease of one year or longer  
3 executed or in effect at the time the lessor would otherwise be  
4 subject to the tax imposed by this Act, to a governmental body  
5 that has been issued an active sales tax exemption  
6 identification number by the Department under Section 1g of  
7 the Retailers' Occupation Tax Act. If the property is leased  
8 in a manner that does not qualify for this exemption or used in  
9 any other nonexempt manner, the lessor shall be liable for the  
10 tax imposed under this Act or the Service Use Tax Act, as the  
11 case may be, based on the fair market value of the property at  
12 the time the nonqualifying use occurs. No lessor shall collect  
13 or attempt to collect an amount (however designated) that  
14 purports to reimburse that lessor for the tax imposed by this  
15 Act or the Service Use Tax Act, as the case may be, if the tax  
16 has not been paid by the lessor. If a lessor improperly  
17 collects any such amount from the lessee, the lessee shall  
18 have a legal right to claim a refund of that amount from the  
19 lessor. If, however, that amount is not refunded to the lessee  
20 for any reason, the lessor is liable to pay that amount to the  
21 Department. This paragraph is exempt from the provisions of  
22 Section 3-90.

23 (33) On and after July 1, 2003 and through June 30, 2004,  
24 the use in this State of motor vehicles of the second division  
25 with a gross vehicle weight in excess of 8,000 pounds and that  
26 are subject to the commercial distribution fee imposed under

1 Section 3-815.1 of the Illinois Vehicle Code. Beginning on  
2 July 1, 2004 and through June 30, 2005, the use in this State  
3 of motor vehicles of the second division: (i) with a gross  
4 vehicle weight rating in excess of 8,000 pounds; (ii) that are  
5 subject to the commercial distribution fee imposed under  
6 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that  
7 are primarily used for commercial purposes. Through June 30,  
8 2005, this exemption applies to repair and replacement parts  
9 added after the initial purchase of such a motor vehicle if  
10 that motor vehicle is used in a manner that would qualify for  
11 the rolling stock exemption otherwise provided for in this  
12 Act. For purposes of this paragraph, the term "used for  
13 commercial purposes" means the transportation of persons or  
14 property in furtherance of any commercial or industrial  
15 enterprise, whether for-hire or not.

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

23 (35) Beginning January 1, 2010 and continuing through  
24 December 31, 2024, materials, parts, equipment, components,  
25 and furnishings incorporated into or upon an aircraft as part  
26 of the modification, refurbishment, completion, replacement,



1 repair, or maintenance of the aircraft. This exemption  
2 includes consumable supplies used in the modification,  
3 refurbishment, completion, replacement, repair, and  
4 maintenance of aircraft, but excludes any materials, parts,  
5 equipment, components, and consumable supplies used in the  
6 modification, replacement, repair, and maintenance of aircraft  
7 engines or power plants, whether such engines or power plants  
8 are installed or uninstalled upon any such aircraft.  
9 "Consumable supplies" include, but are not limited to,  
10 adhesive, tape, sandpaper, general purpose lubricants,  
11 cleaning solution, latex gloves, and protective films. This  
12 exemption applies only to the use of qualifying tangible  
13 personal property by persons who modify, refurbish, complete,  
14 repair, replace, or maintain aircraft and who (i) hold an Air  
15 Agency Certificate and are empowered to operate an approved  
16 repair station by the Federal Aviation Administration, (ii)  
17 have a Class IV Rating, and (iii) conduct operations in  
18 accordance with Part 145 of the Federal Aviation Regulations.  
19 The exemption does not include aircraft operated by a  
20 commercial air carrier providing scheduled passenger air  
21 service pursuant to authority issued under Part 121 or Part  
22 129 of the Federal Aviation Regulations. The changes made to  
23 this paragraph (35) by Public Act 98-534 are declarative of  
24 existing law. It is the intent of the General Assembly that the  
25 exemption under this paragraph (35) applies continuously from  
26 January 1, 2010 through December 31, 2024; however, no claim

1 for credit or refund is allowed for taxes paid as a result of  
2 the disallowance of this exemption on or after January 1, 2015  
3 and prior to the effective date of this amendatory Act of the  
4 101st General Assembly.

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

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

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

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

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

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

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

26 For the purposes of this item (40):

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

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

1 incorporated in to the qualifying data center. To document  
2 the exemption allowed under this Section, the retailer  
3 must obtain from the purchaser a copy of the certificate  
4 of eligibility issued by the Department of Commerce and  
5 Economic Opportunity.

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

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

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

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

24 "Breast pump collection and storage supplies"  
25 includes, but is not limited to: breast shields and breast  
26 shield connectors; breast pump tubes and tubing adapters;

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

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

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

24 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
25 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
26 6-17-21.)

1           Section 70-10. The Service Use Tax Act is amended by  
2 changing Section 3-5 as follows:

3           (35 ILCS 110/3-5)

4           Sec. 3-5. Exemptions. Use of the following tangible  
5 personal property is exempt from the tax imposed by this Act:

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

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

16           (3) Personal property purchased by a not-for-profit arts  
17 or cultural organization that establishes, by proof required  
18 by the Department by rule, that it has received an exemption  
19 under Section 501(c)(3) of the Internal Revenue Code and that  
20 is organized and operated primarily for the presentation or  
21 support of arts or cultural programming, activities, or  
22 services. These organizations include, but are not limited to,  
23 music and dramatic arts organizations such as symphony  
24 orchestras and theatrical groups, arts and cultural service

1 organizations, local arts councils, visual arts organizations,  
2 and media arts organizations. On and after July 1, 2001 (the  
3 effective date of Public Act 92-35), however, an entity  
4 otherwise eligible for this exemption shall not make tax-free  
5 purchases unless it has an active identification number issued  
6 by the Department.

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

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

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

26 (7) Farm machinery and equipment, both new and used,



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

19 Farm machinery and equipment shall include precision  
20 farming equipment that is installed or purchased to be  
21 installed on farm machinery and equipment including, but not  
22 limited to, tractors, harvesters, sprayers, planters, seeders,  
23 or spreaders. Precision farming equipment includes, but is not  
24 limited to, soil testing sensors, computers, monitors,  
25 software, global positioning and mapping systems, and other  
26 such equipment.

1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals. This item (7) is exempt from the  
8 provisions of Section 3-75.

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

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

26 (9) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of  
2 food and beverages acquired as an incident to the purchase of a  
3 service from a serviceman, to the extent that the proceeds of  
4 the service charge are in fact turned over as tips or as a  
5 substitute for tips to the employees who participate directly  
6 in preparing, serving, hosting or cleaning up the food or  
7 beverage function with respect to which the service charge is  
8 imposed.

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

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

25 (12) Until July 1, 2023, coal and aggregate exploration,  
26 mining, off-highway hauling, processing, maintenance, and

1 reclamation equipment, including replacement parts and  
2 equipment, and including equipment purchased for lease, but  
3 excluding motor vehicles required to be registered under the  
4 Illinois Vehicle Code. The changes made to this Section by  
5 Public Act 97-767 apply on and after July 1, 2003, but no claim  
6 for credit or refund is allowed on or after August 16, 2013  
7 (the effective date of Public Act 98-456) for such taxes paid  
8 during the period beginning July 1, 2003 and ending on August  
9 16, 2013 (the effective date of Public Act 98-456).

10 (13) Semen used for artificial insemination of livestock  
11 for direct agricultural production.

12 (14) Horses, or interests in horses, registered with and  
13 meeting the requirements of any of the Arabian Horse Club  
14 Registry of America, Appaloosa Horse Club, American Quarter  
15 Horse Association, United States Trotting Association, or  
16 Jockey Club, as appropriate, used for purposes of breeding or  
17 racing for prizes. This item (14) is exempt from the  
18 provisions of Section 3-75, and the exemption provided for  
19 under this item (14) applies for all periods beginning May 30,  
20 1995, but no claim for credit or refund is allowed on or after  
21 January 1, 2008 (the effective date of Public Act 95-88) for  
22 such taxes paid during the period beginning May 30, 2000 and  
23 ending on January 1, 2008 (the effective date of Public Act  
24 95-88).

25 (15) Computers and communications equipment utilized for  
26 any hospital purpose and equipment used in the diagnosis,

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

22 (16) Personal property purchased by a lessor who leases  
23 the property, under a lease of one year or longer executed or  
24 in effect at the time the lessor would otherwise be subject to  
25 the tax imposed by this Act, to a governmental body that has  
26 been issued an active tax exemption identification number by

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

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

26 (18) Beginning with taxable years ending on or after

1 December 31, 1995 and ending with taxable years ending on or  
2 before December 31, 2004, personal property that is used in  
3 the performance of infrastructure repairs in this State,  
4 including but not limited to municipal roads and streets,  
5 access roads, bridges, sidewalks, waste disposal systems,  
6 water and sewer line extensions, water distribution and  
7 purification facilities, storm water drainage and retention  
8 facilities, and sewage treatment facilities, resulting from a  
9 State or federally declared disaster in Illinois or bordering  
10 Illinois when such repairs are initiated on facilities located  
11 in the declared disaster area within 6 months after the  
12 disaster.

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

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

1 useful branches of learning by methods common to public  
2 schools and that compare favorably in their scope and  
3 intensity with the course of study presented in tax-supported  
4 schools, and vocational or technical schools or institutes  
5 organized and operated exclusively to provide a course of  
6 study of not less than 6 weeks duration and designed to prepare  
7 individuals to follow a trade or to pursue a manual,  
8 technical, mechanical, industrial, business, or commercial  
9 occupation.

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

24 (22) Beginning January 1, 2000 and through December 31,  
25 2001, new or used automatic vending machines that prepare and  
26 serve hot food and beverages, including coffee, soup, and



1 other items, and replacement parts for these machines.  
2 Beginning January 1, 2002 and through June 30, 2003, machines  
3 and parts for machines used in commercial, coin-operated  
4 amusement and vending business if a use or occupation tax is  
5 paid on the gross receipts derived from the use of the  
6 commercial, coin-operated amusement and vending machines. This  
7 paragraph is exempt from the provisions of Section 3-75.

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

21 (24) Beginning on August 2, 2001 (the effective date of  
22 Public Act 92-227), computers and communications equipment  
23 utilized for any hospital purpose and equipment used in the  
24 diagnosis, analysis, or treatment of hospital patients  
25 purchased by a lessor who leases the equipment, under a lease  
26 of one year or longer executed or in effect at the time the

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

20 (25) Beginning on August 2, 2001 (the effective date of  
21 Public Act 92-227), personal property purchased by a lessor  
22 who leases the property, under a lease of one year or longer  
23 executed or in effect at the time the lessor would otherwise be  
24 subject to the tax imposed by this Act, to a governmental body  
25 that has been issued an active tax exemption identification  
26 number by the Department under Section 1g of the Retailers'

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

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

23 (27) Beginning January 1, 2010 and continuing through  
24 December 31, 2024, materials, parts, equipment, components,  
25 and furnishings incorporated into or upon an aircraft as part  
26 of the modification, refurbishment, completion, replacement,

1 repair, or maintenance of the aircraft. This exemption  
2 includes consumable supplies used in the modification,  
3 refurbishment, completion, replacement, repair, and  
4 maintenance of aircraft, but excludes any materials, parts,  
5 equipment, components, and consumable supplies used in the  
6 modification, replacement, repair, and maintenance of aircraft  
7 engines or power plants, whether such engines or power plants  
8 are installed or uninstalled upon any such aircraft.  
9 "Consumable supplies" include, but are not limited to,  
10 adhesive, tape, sandpaper, general purpose lubricants,  
11 cleaning solution, latex gloves, and protective films. This  
12 exemption applies only to the use of qualifying tangible  
13 personal property transferred incident to the modification,  
14 refurbishment, completion, replacement, repair, or maintenance  
15 of aircraft by persons who (i) hold an Air Agency Certificate  
16 and are empowered to operate an approved repair station by the  
17 Federal Aviation Administration, (ii) have a Class IV Rating,  
18 and (iii) conduct operations in accordance with Part 145 of  
19 the Federal Aviation Regulations. The exemption does not  
20 include aircraft operated by a commercial air carrier  
21 providing scheduled passenger air service pursuant to  
22 authority issued under Part 121 or Part 129 of the Federal  
23 Aviation Regulations. The changes made to this paragraph (27)  
24 by Public Act 98-534 are declarative of existing law. It is the  
25 intent of the General Assembly that the exemption under this  
26 paragraph (27) applies continuously from January 1, 2010

1 through December 31, 2024; however, no claim for credit or  
2 refund is allowed for taxes paid as a result of the  
3 disallowance of this exemption on or after January 1, 2015 and  
4 prior to the effective date of this amendatory Act of the 101st  
5 General Assembly.

6 (28) Tangible personal property purchased by a  
7 public-facilities corporation, as described in Section  
8 11-65-10 of the Illinois Municipal Code, for purposes of  
9 constructing or furnishing a municipal convention hall, but  
10 only if the legal title to the municipal convention hall is  
11 transferred to the municipality without any further  
12 consideration by or on behalf of the municipality at the time  
13 of the completion of the municipal convention hall or upon the  
14 retirement or redemption of any bonds or other debt  
15 instruments issued by the public-facilities corporation in  
16 connection with the development of the municipal convention  
17 hall. This exemption includes existing public-facilities  
18 corporations as provided in Section 11-65-25 of the Illinois  
19 Municipal Code. This paragraph is exempt from the provisions  
20 of Section 3-75.

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

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

1           (31) Qualified tangible personal property used in the  
2 construction or operation of a data center that has been  
3 granted a certificate of exemption by the Department of  
4 Commerce and Economic Opportunity, whether that tangible  
5 personal property is purchased by the owner, operator, or  
6 tenant of the data center or by a contractor or subcontractor  
7 of the owner, operator, or tenant. Data centers that would  
8 have qualified for a certificate of exemption prior to January  
9 1, 2020 had this amendatory Act of the 101st General Assembly  
10 been in effect, may apply for and obtain an exemption for  
11 subsequent purchases of computer equipment or enabling  
12 software purchased or leased to upgrade, supplement, or  
13 replace computer equipment or enabling software purchased or  
14 leased in the original investment that would have qualified.

15           The Department of Commerce and Economic Opportunity shall  
16 grant a certificate of exemption under this item (31) to  
17 qualified data centers as defined by Section 605-1025 of the  
18 Department of Commerce and Economic Opportunity Law of the  
19 Civil Administrative Code of Illinois.

20           For the purposes of this item (31):

21           "Data center" means a building or a series of  
22 buildings rehabilitated or constructed to house working  
23 servers in one physical location or multiple sites within  
24 the State of Illinois.

25           "Qualified tangible personal property" means:  
26 electrical systems and equipment; climate control and

1 chilling equipment and systems; mechanical systems and  
2 equipment; monitoring and secure systems; emergency  
3 generators; hardware; computers; servers; data storage  
4 devices; network connectivity equipment; racks; cabinets;  
5 telecommunications cabling infrastructure; raised floor  
6 systems; peripheral components or systems; software;  
7 mechanical, electrical, or plumbing systems; battery  
8 systems; cooling systems and towers; temperature control  
9 systems; other cabling; and other data center  
10 infrastructure equipment and systems necessary to operate  
11 qualified tangible personal property, including fixtures;  
12 and component parts of any of the foregoing, including  
13 installation, maintenance, repair, refurbishment, and  
14 replacement of qualified tangible personal property to  
15 generate, transform, transmit, distribute, or manage  
16 electricity necessary to operate qualified tangible  
17 personal property; and all other tangible personal  
18 property that is essential to the operations of a computer  
19 data center. The term "qualified tangible personal  
20 property" also includes building materials physically  
21 incorporated in to the qualifying data center. To document  
22 the exemption allowed under this Section, the retailer  
23 must obtain from the purchaser a copy of the certificate  
24 of eligibility issued by the Department of Commerce and  
25 Economic Opportunity.

26 This item (31) is exempt from the provisions of Section

1 3-75.

2 (32) Beginning July 1, 2022, breast pumps, breast pump  
3 collection and storage supplies, and breast pump kits. This  
4 item (32) is exempt from the provisions of Section 3-75. As  
5 used in this item (32):

6 "Breast pump" means an electrically controlled or  
7 manually controlled pump device designed or marketed to be  
8 used to express milk from a human breast during lactation,  
9 including the pump device and any battery, AC adapter, or  
10 other power supply unit that is used to power the pump  
11 device and is packaged and sold with the pump device at the  
12 time of sale.

13 "Breast pump collection and storage supplies" means  
14 items of tangible personal property designed or marketed  
15 to be used in conjunction with a breast pump to collect  
16 milk expressed from a human breast and to store collected  
17 milk until it is ready for consumption.

18 "Breast pump collection and storage supplies"  
19 includes, but is not limited to: breast shields and breast  
20 shield connectors; breast pump tubes and tubing adapters;  
21 breast pump valves and membranes; backflow protectors and  
22 backflow protector adaptors; bottles and bottle caps  
23 specific to the operation of the breast pump; and breast  
24 milk storage bags.

25 "Breast pump collection and storage supplies" does not  
26 include: (1) bottles and bottle caps not specific to the



1 operation of the breast pump; (2) breast pump travel bags  
2 and other similar carrying accessories, including ice  
3 packs, labels, and other similar products; (3) breast pump  
4 cleaning supplies; (4) nursing bras, bra pads, breast  
5 shells, and other similar products; and (5) creams,  
6 ointments, and other similar products that relieve  
7 breastfeeding-related symptoms or conditions of the  
8 breasts or nipples, unless sold as part of a breast pump  
9 kit that is pre-packaged by the breast pump manufacturer  
10 or distributor.

11 "Breast pump kit" means a kit that: (1) contains no  
12 more than a breast pump, breast pump collection and  
13 storage supplies, a rechargeable battery for operating the  
14 breast pump, a breastmilk cooler, bottle stands, ice  
15 packs, and a breast pump carrying case; and (2) is  
16 pre-packaged as a breast pump kit by the breast pump  
17 manufacturer or distributor.

18 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
19 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

20 Section 70-15. The Service Occupation Tax Act is amended  
21 by changing Section 3-5 as follows:

22 (35 ILCS 115/3-5)

23 Sec. 3-5. Exemptions. The following tangible personal  
24 property is exempt from the tax imposed by this Act:

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

8           (2) Personal property purchased by a not-for-profit  
9 Illinois county fair association for use in conducting,  
10 operating, or promoting the county fair.

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

26           (4) Legal tender, currency, medallions, or gold or silver

1 coinage issued by the State of Illinois, the government of the  
2 United States of America, or the government of any foreign  
3 country, and bullion.

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

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

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

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

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

20 Farm machinery and equipment also includes computers,  
21 sensors, software, and related equipment used primarily in the  
22 computer-assisted operation of production agriculture  
23 facilities, equipment, and activities such as, but not limited  
24 to, the collection, monitoring, and correlation of animal and  
25 crop data for the purpose of formulating animal diets and  
26 agricultural chemicals. This item (7) is exempt from the

1 provisions of Section 3-55.

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

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

19 (9) Proceeds of mandatory service charges separately  
20 stated on customers' bills for the purchase and consumption of  
21 food and beverages, to the extent that the proceeds of the  
22 service charge are in fact turned over as tips or as a  
23 substitute for tips to the employees who participate directly  
24 in preparing, serving, hosting or cleaning up the food or  
25 beverage function with respect to which the service charge is  
26 imposed.

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

11           (11) Photoprocessing machinery and equipment, including  
12 repair and replacement parts, both new and used, including  
13 that manufactured on special order, certified by the purchaser  
14 to be used primarily for photoprocessing, and including  
15 photoprocessing machinery and equipment purchased for lease.

16           (12) Until July 1, 2023, coal and aggregate exploration,  
17 mining, off-highway hauling, processing, maintenance, and  
18 reclamation equipment, including replacement parts and  
19 equipment, and including equipment purchased for lease, but  
20 excluding motor vehicles required to be registered under the  
21 Illinois Vehicle Code. The changes made to this Section by  
22 Public Act 97-767 apply on and after July 1, 2003, but no claim  
23 for credit or refund is allowed on or after August 16, 2013  
24 (the effective date of Public Act 98-456) for such taxes paid  
25 during the period beginning July 1, 2003 and ending on August  
26 16, 2013 (the effective date of Public Act 98-456).

1           (13) Beginning January 1, 1992 and through June 30, 2016,  
2 food for human consumption that is to be consumed off the  
3 premises where it is sold (other than alcoholic beverages,  
4 soft drinks and food that has been prepared for immediate  
5 consumption) and prescription and non-prescription medicines,  
6 drugs, medical appliances, and insulin, urine testing  
7 materials, syringes, and needles used by diabetics, for human  
8 use, when purchased for use by a person receiving medical  
9 assistance under Article V of the Illinois Public Aid Code who  
10 resides in a licensed long-term care facility, as defined in  
11 the Nursing Home Care Act, or in a licensed facility as defined  
12 in the ID/DD Community Care Act, the MC/DD Act, or the  
13 Specialized Mental Health Rehabilitation Act of 2013.

14           (14) Semen used for artificial insemination of livestock  
15 for direct agricultural production.

16           (15) Horses, or interests in horses, registered with and  
17 meeting the requirements of any of the Arabian Horse Club  
18 Registry of America, Appaloosa Horse Club, American Quarter  
19 Horse Association, United States Trotting Association, or  
20 Jockey Club, as appropriate, used for purposes of breeding or  
21 racing for prizes. This item (15) is exempt from the  
22 provisions of Section 3-55, and the exemption provided for  
23 under this item (15) applies for all periods beginning May 30,  
24 1995, but no claim for credit or refund is allowed on or after  
25 January 1, 2008 (the effective date of Public Act 95-88) for  
26 such taxes paid during the period beginning May 30, 2000 and

1 ending on January 1, 2008 (the effective date of Public Act  
2 95-88).

3 (16) Computers and communications equipment utilized for  
4 any hospital purpose and equipment used in the diagnosis,  
5 analysis, or treatment of hospital patients sold to a lessor  
6 who leases the equipment, under a lease of one year or longer  
7 executed or in effect at the time of the purchase, to a  
8 hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of  
10 the Retailers' Occupation Tax Act.

11 (17) Personal property sold to a lessor who leases the  
12 property, under a lease of one year or longer executed or in  
13 effect at the time of the purchase, to a governmental body that  
14 has been issued an active tax exemption identification number  
15 by the Department under Section 1g of the Retailers'  
16 Occupation Tax Act.

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



1           (19) Beginning with taxable years ending on or after  
2 December 31, 1995 and ending with taxable years ending on or  
3 before December 31, 2004, personal property that is used in  
4 the performance of infrastructure repairs in this State,  
5 including but not limited to municipal roads and streets,  
6 access roads, bridges, sidewalks, waste disposal systems,  
7 water and sewer line extensions, water distribution and  
8 purification facilities, storm water drainage and retention  
9 facilities, and sewage treatment facilities, resulting from a  
10 State or federally declared disaster in Illinois or bordering  
11 Illinois when such repairs are initiated on facilities located  
12 in the declared disaster area within 6 months after the  
13 disaster.

14           (20) Beginning July 1, 1999, game or game birds sold at a  
15 "game breeding and hunting preserve area" as that term is used  
16 in the Wildlife Code. This paragraph is exempt from the  
17 provisions of Section 3-55.

18           (21) A motor vehicle, as that term is defined in Section  
19 1-146 of the Illinois Vehicle Code, that is donated to a  
20 corporation, limited liability company, society, association,  
21 foundation, or institution that is determined by the  
22 Department to be organized and operated exclusively for  
23 educational purposes. For purposes of this exemption, "a  
24 corporation, limited liability company, society, association,  
25 foundation, or institution organized and operated exclusively  
26 for educational purposes" means all tax-supported public

1 schools, private schools that offer systematic instruction in  
2 useful branches of learning by methods common to public  
3 schools and that compare favorably in their scope and  
4 intensity with the course of study presented in tax-supported  
5 schools, and vocational or technical schools or institutes  
6 organized and operated exclusively to provide a course of  
7 study of not less than 6 weeks duration and designed to prepare  
8 individuals to follow a trade or to pursue a manual,  
9 technical, mechanical, industrial, business, or commercial  
10 occupation.

11 (22) Beginning January 1, 2000, personal property,  
12 including food, purchased through fundraising events for the  
13 benefit of a public or private elementary or secondary school,  
14 a group of those schools, or one or more school districts if  
15 the events are sponsored by an entity recognized by the school  
16 district that consists primarily of volunteers and includes  
17 parents and teachers of the school children. This paragraph  
18 does not apply to fundraising events (i) for the benefit of  
19 private home instruction or (ii) for which the fundraising  
20 entity purchases the personal property sold at the events from  
21 another individual or entity that sold the property for the  
22 purpose of resale by the fundraising entity and that profits  
23 from the sale to the fundraising entity. This paragraph is  
24 exempt from the provisions of Section 3-55.

25 (23) Beginning January 1, 2000 and through December 31,  
26 2001, new or used automatic vending machines that prepare and

1 serve hot food and beverages, including coffee, soup, and  
2 other items, and replacement parts for these machines.  
3 Beginning January 1, 2002 and through June 30, 2003, machines  
4 and parts for machines used in commercial, coin-operated  
5 amusement and vending business if a use or occupation tax is  
6 paid on the gross receipts derived from the use of the  
7 commercial, coin-operated amusement and vending machines. This  
8 paragraph is exempt from the provisions of Section 3-55.

9 (24) Beginning on August 2, 2001 (the effective date of  
10 Public Act 92-227), computers and communications equipment  
11 utilized for any hospital purpose and equipment used in the  
12 diagnosis, analysis, or treatment of hospital patients sold to  
13 a lessor who leases the equipment, under a lease of one year or  
14 longer executed or in effect at the time of the purchase, to a  
15 hospital that has been issued an active tax exemption  
16 identification number by the Department under Section 1g of  
17 the Retailers' Occupation Tax Act. This paragraph is exempt  
18 from the provisions of Section 3-55.

19 (25) Beginning on August 2, 2001 (the effective date of  
20 Public Act 92-227), personal property sold to a lessor who  
21 leases the property, under a lease of one year or longer  
22 executed or in effect at the time of the purchase, to a  
23 governmental body that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of  
25 the Retailers' Occupation Tax Act. This paragraph is exempt  
26 from the provisions of Section 3-55.

1           (26) Beginning on January 1, 2002 and through June 30,  
2 2016, tangible personal property purchased from an Illinois  
3 retailer by a taxpayer engaged in centralized purchasing  
4 activities in Illinois who will, upon receipt of the property  
5 in Illinois, temporarily store the property in Illinois (i)  
6 for the purpose of subsequently transporting it outside this  
7 State for use or consumption thereafter solely outside this  
8 State or (ii) for the purpose of being processed, fabricated,  
9 or manufactured into, attached to, or incorporated into other  
10 tangible personal property to be transported outside this  
11 State and thereafter used or consumed solely outside this  
12 State. The Director of Revenue shall, pursuant to rules  
13 adopted in accordance with the Illinois Administrative  
14 Procedure Act, issue a permit to any taxpayer in good standing  
15 with the Department who is eligible for the exemption under  
16 this paragraph (26). The permit issued under this paragraph  
17 (26) shall authorize the holder, to the extent and in the  
18 manner specified in the rules adopted under this Act, to  
19 purchase tangible personal property from a retailer exempt  
20 from the taxes imposed by this Act. Taxpayers shall maintain  
21 all necessary books and records to substantiate the use and  
22 consumption of all such tangible personal property outside of  
23 the State of Illinois.

24           (27) Beginning January 1, 2008, tangible personal property  
25 used in the construction or maintenance of a community water  
26 supply, as defined under Section 3.145 of the Environmental

1 Protection Act, that is operated by a not-for-profit  
2 corporation that holds a valid water supply permit issued  
3 under Title IV of the Environmental Protection Act. This  
4 paragraph is exempt from the provisions of Section 3-55.

5 (28) Tangible personal property sold to a  
6 public-facilities corporation, as described in Section  
7 11-65-10 of the Illinois Municipal Code, for purposes of  
8 constructing or furnishing a municipal convention hall, but  
9 only if the legal title to the municipal convention hall is  
10 transferred to the municipality without any further  
11 consideration by or on behalf of the municipality at the time  
12 of the completion of the municipal convention hall or upon the  
13 retirement or redemption of any bonds or other debt  
14 instruments issued by the public-facilities corporation in  
15 connection with the development of the municipal convention  
16 hall. This exemption includes existing public-facilities  
17 corporations as provided in Section 11-65-25 of the Illinois  
18 Municipal Code. This paragraph is exempt from the provisions  
19 of Section 3-55.

20 (29) Beginning January 1, 2010 and continuing through  
21 December 31, 2024, materials, parts, equipment, components,  
22 and furnishings incorporated into or upon an aircraft as part  
23 of the modification, refurbishment, completion, replacement,  
24 repair, or maintenance of the aircraft. This exemption  
25 includes consumable supplies used in the modification,  
26 refurbishment, completion, replacement, repair, and

1 maintenance of aircraft, but excludes any materials, parts,  
2 equipment, components, and consumable supplies used in the  
3 modification, replacement, repair, and maintenance of aircraft  
4 engines or power plants, whether such engines or power plants  
5 are installed or uninstalled upon any such aircraft.  
6 "Consumable supplies" include, but are not limited to,  
7 adhesive, tape, sandpaper, general purpose lubricants,  
8 cleaning solution, latex gloves, and protective films. This  
9 exemption applies only to the transfer of qualifying tangible  
10 personal property incident to the modification, refurbishment,  
11 completion, replacement, repair, or maintenance of an aircraft  
12 by persons who (i) hold an Air Agency Certificate and are  
13 empowered to operate an approved repair station by the Federal  
14 Aviation Administration, (ii) have a Class IV Rating, and  
15 (iii) conduct operations in accordance with Part 145 of the  
16 Federal Aviation Regulations. The exemption does not include  
17 aircraft operated by a commercial air carrier providing  
18 scheduled passenger air service pursuant to authority issued  
19 under Part 121 or Part 129 of the Federal Aviation  
20 Regulations. The changes made to this paragraph (29) by Public  
21 Act 98-534 are declarative of existing law. It is the intent of  
22 the General Assembly that the exemption under this paragraph  
23 (29) applies continuously from January 1, 2010 through  
24 December 31, 2024; however, no claim for credit or refund is  
25 allowed for taxes paid as a result of the disallowance of this  
26 exemption on or after January 1, 2015 and prior to the

1 effective date of this amendatory Act of the 101st General  
2 Assembly.

3 (30) Beginning January 1, 2017 and through December 31,  
4 2026, menstrual pads, tampons, and menstrual cups.

5 (31) Tangible personal property transferred to a purchaser  
6 who is exempt from tax by operation of federal law. This  
7 paragraph is exempt from the provisions of Section 3-55.

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

22 The Department of Commerce and Economic Opportunity shall  
23 grant a certificate of exemption under this item (32) to  
24 qualified data centers as defined by Section 605-1025 of the  
25 Department of Commerce and Economic Opportunity Law of the  
26 Civil Administrative Code of Illinois.

1 For the purposes of this item (32):

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

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



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

7 This item (32) is exempt from the provisions of Section  
8 3-55.

9 (33) Beginning July 1, 2022, breast pumps, breast pump  
10 collection and storage supplies, and breast pump kits. This  
11 item (33) is exempt from the provisions of Section 3-55. As  
12 used in this item (33):

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

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

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

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

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

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

25 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
26 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

1 Section 70-20. The Retailers' Occupation Tax Act is  
2 amended by changing Section 2-5 as follows:

3 (35 ILCS 120/2-5)

4 Sec. 2-5. Exemptions. Gross receipts from proceeds from  
5 the sale of the following tangible personal property are  
6 exempt from the tax imposed by this Act:

7 (1) Farm chemicals.

8 (2) Farm machinery and equipment, both new and used,  
9 including that manufactured on special order, certified by  
10 the purchaser to be used primarily for production  
11 agriculture or State or federal agricultural programs,  
12 including individual replacement parts for the machinery  
13 and equipment, including machinery and equipment purchased  
14 for lease, and including implements of husbandry defined  
15 in Section 1-130 of the Illinois Vehicle Code, farm  
16 machinery and agricultural chemical and fertilizer  
17 spreaders, and nurse wagons required to be registered  
18 under Section 3-809 of the Illinois Vehicle Code, but  
19 excluding other motor vehicles required to be registered  
20 under the Illinois Vehicle Code. Horticultural polyhouses  
21 or hoop houses used for propagating, growing, or  
22 overwintering plants shall be considered farm machinery  
23 and equipment under this item (2). Agricultural chemical  
24 tender tanks and dry boxes shall include units sold

1 separately from a motor vehicle required to be licensed  
2 and units sold mounted on a motor vehicle required to be  
3 licensed, if the selling price of the tender is separately  
4 stated.

5 Farm machinery and equipment shall include precision  
6 farming equipment that is installed or purchased to be  
7 installed on farm machinery and equipment including, but  
8 not limited to, tractors, harvesters, sprayers, planters,  
9 seeders, or spreaders. Precision farming equipment  
10 includes, but is not limited to, soil testing sensors,  
11 computers, monitors, software, global positioning and  
12 mapping systems, and other such equipment.

13 Farm machinery and equipment also includes computers,  
14 sensors, software, and related equipment used primarily in  
15 the computer-assisted operation of production agriculture  
16 facilities, equipment, and activities such as, but not  
17 limited to, the collection, monitoring, and correlation of  
18 animal and crop data for the purpose of formulating animal  
19 diets and agricultural chemicals. This item (2) is exempt  
20 from the provisions of Section 2-70.

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

1 or resale.

2 (4) Until July 1, 2003 and beginning again September  
3 1, 2004 through August 30, 2014, graphic arts machinery  
4 and equipment, including repair and replacement parts,  
5 both new and used, and including that manufactured on  
6 special order or purchased for lease, certified by the  
7 purchaser to be used primarily for graphic arts  
8 production. Equipment includes chemicals or chemicals  
9 acting as catalysts but only if the chemicals or chemicals  
10 acting as catalysts effect a direct and immediate change  
11 upon a graphic arts product. Beginning on July 1, 2017,  
12 graphic arts machinery and equipment is included in the  
13 manufacturing and assembling machinery and equipment  
14 exemption under paragraph (14).

15 (5) A motor vehicle that is used for automobile  
16 renting, as defined in the Automobile Renting Occupation  
17 and Use Tax Act. This paragraph is exempt from the  
18 provisions of Section 2-70.

19 (6) Personal property sold by a teacher-sponsored  
20 student organization affiliated with an elementary or  
21 secondary school located in Illinois.

22 (7) Until July 1, 2003, proceeds of that portion of  
23 the selling price of a passenger car the sale of which is  
24 subject to the Replacement Vehicle Tax.

25 (8) Personal property sold to an Illinois county fair  
26 association for use in conducting, operating, or promoting

1 the county fair.

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

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

24 (11) Personal property sold to a governmental body, to  
25 a corporation, society, association, foundation, or  
26 institution organized and operated exclusively for

1 charitable, religious, or educational purposes, or to a  
2 not-for-profit corporation, society, association,  
3 foundation, institution, or organization that has no  
4 compensated officers or employees and that is organized  
5 and operated primarily for the recreation of persons 55  
6 years of age or older. A limited liability company may  
7 qualify for the exemption under this paragraph only if the  
8 limited liability company is organized and operated  
9 exclusively for educational purposes. On and after July 1,  
10 1987, however, no entity otherwise eligible for this  
11 exemption shall make tax-free purchases unless it has an  
12 active identification number issued by the Department.

13 (12) (Blank).

14 (12-5) On and after July 1, 2003 and through June 30,  
15 2004, motor vehicles of the second division with a gross  
16 vehicle weight in excess of 8,000 pounds that are subject  
17 to the commercial distribution fee imposed under Section  
18 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
19 2004 and through June 30, 2005, the use in this State of  
20 motor vehicles of the second division: (i) with a gross  
21 vehicle weight rating in excess of 8,000 pounds; (ii) that  
22 are subject to the commercial distribution fee imposed  
23 under Section 3-815.1 of the Illinois Vehicle Code; and  
24 (iii) that are primarily used for commercial purposes.  
25 Through June 30, 2005, this exemption applies to repair  
26 and replacement parts added after the initial purchase of

1       such a motor vehicle if that motor vehicle is used in a  
2       manner that would qualify for the rolling stock exemption  
3       otherwise provided for in this Act. For purposes of this  
4       paragraph, "used for commercial purposes" means the  
5       transportation of persons or property in furtherance of  
6       any commercial or industrial enterprise whether for-hire  
7       or not.

8               (13) Proceeds from sales to owners, lessors, or  
9       shippers of tangible personal property that is utilized by  
10      interstate carriers for hire for use as rolling stock  
11      moving in interstate commerce and equipment operated by a  
12      telecommunications provider, licensed as a common carrier  
13      by the Federal Communications Commission, which is  
14      permanently installed in or affixed to aircraft moving in  
15      interstate commerce.

16              (14) Machinery and equipment that will be used by the  
17      purchaser, or a lessee of the purchaser, primarily in the  
18      process of manufacturing or assembling tangible personal  
19      property for wholesale or retail sale or lease, whether  
20      the sale or lease is made directly by the manufacturer or  
21      by some other person, whether the materials used in the  
22      process are owned by the manufacturer or some other  
23      person, or whether the sale or lease is made apart from or  
24      as an incident to the seller's engaging in the service  
25      occupation of producing machines, tools, dies, jigs,  
26      patterns, gauges, or other similar items of no commercial



1 value on special order for a particular purchaser. The  
2 exemption provided by this paragraph (14) does not include  
3 machinery and equipment used in (i) the generation of  
4 electricity for wholesale or retail sale; (ii) the  
5 generation or treatment of natural or artificial gas for  
6 wholesale or retail sale that is delivered to customers  
7 through pipes, pipelines, or mains; or (iii) the treatment  
8 of water for wholesale or retail sale that is delivered to  
9 customers through pipes, pipelines, or mains. The  
10 provisions of Public Act 98-583 are declaratory of  
11 existing law as to the meaning and scope of this  
12 exemption. Beginning on July 1, 2017, the exemption  
13 provided by this paragraph (14) includes, but is not  
14 limited to, graphic arts machinery and equipment, as  
15 defined in paragraph (4) of this Section.

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

24 (16) Tangible personal property sold to a purchaser if  
25 the purchaser is exempt from use tax by operation of  
26 federal law. This paragraph is exempt from the provisions

1 of Section 2-70.

2 (17) Tangible personal property sold to a common  
3 carrier by rail or motor that receives the physical  
4 possession of the property in Illinois and that transports  
5 the property, or shares with another common carrier in the  
6 transportation of the property, out of Illinois on a  
7 standard uniform bill of lading showing the seller of the  
8 property as the shipper or consignor of the property to a  
9 destination outside Illinois, for use outside Illinois.

10 (18) Legal tender, currency, medallions, or gold or  
11 silver coinage issued by the State of Illinois, the  
12 government of the United States of America, or the  
13 government of any foreign country, and bullion.

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

24 (20) Photoprocessing machinery and equipment,  
25 including repair and replacement parts, both new and used,  
26 including that manufactured on special order, certified by

1 the purchaser to be used primarily for photoprocessing,  
2 and including photoprocessing machinery and equipment  
3 purchased for lease.

4 (21) Until July 1, 2023, coal and aggregate  
5 exploration, mining, off-highway hauling, processing,  
6 maintenance, and reclamation equipment, including  
7 replacement parts and equipment, and including equipment  
8 purchased for lease, but excluding motor vehicles required  
9 to be registered under the Illinois Vehicle Code. The  
10 changes made to this Section by Public Act 97-767 apply on  
11 and after July 1, 2003, but no claim for credit or refund  
12 is allowed on or after August 16, 2013 (the effective date  
13 of Public Act 98-456) for such taxes paid during the  
14 period beginning July 1, 2003 and ending on August 16,  
15 2013 (the effective date of Public Act 98-456).

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

23 Beginning July 1, 2013, fuel and petroleum products  
24 sold to or used by an air carrier, certified by the carrier  
25 to be used for consumption, shipment, or storage in the  
26 conduct of its business as an air common carrier, for a

1 flight that (i) is engaged in foreign trade or is engaged  
2 in trade between the United States and any of its  
3 possessions and (ii) transports at least one individual or  
4 package for hire from the city of origination to the city  
5 of final destination on the same aircraft, without regard  
6 to a change in the flight number of that aircraft.

7 (23) A transaction in which the purchase order is  
8 received by a florist who is located outside Illinois, but  
9 who has a florist located in Illinois deliver the property  
10 to the purchaser or the purchaser's donee in Illinois.

11 (24) Fuel consumed or used in the operation of ships,  
12 barges, or vessels that are used primarily in or for the  
13 transportation of property or the conveyance of persons  
14 for hire on rivers bordering on this State if the fuel is  
15 delivered by the seller to the purchaser's barge, ship, or  
16 vessel while it is afloat upon that bordering river.

17 (25) Except as provided in item (25-5) of this  
18 Section, a motor vehicle sold in this State to a  
19 nonresident even though the motor vehicle is delivered to  
20 the nonresident in this State, if the motor vehicle is not  
21 to be titled in this State, and if a drive-away permit is  
22 issued to the motor vehicle as provided in Section 3-603  
23 of the Illinois Vehicle Code or if the nonresident  
24 purchaser has vehicle registration plates to transfer to  
25 the motor vehicle upon returning to his or her home state.  
26 The issuance of the drive-away permit or having the

1 out-of-state registration plates to be transferred is  
2 prima facie evidence that the motor vehicle will not be  
3 titled in this State.

4 (25-5) The exemption under item (25) does not apply if  
5 the state in which the motor vehicle will be titled does  
6 not allow a reciprocal exemption for a motor vehicle sold  
7 and delivered in that state to an Illinois resident but  
8 titled in Illinois. The tax collected under this Act on  
9 the sale of a motor vehicle in this State to a resident of  
10 another state that does not allow a reciprocal exemption  
11 shall be imposed at a rate equal to the state's rate of tax  
12 on taxable property in the state in which the purchaser is  
13 a resident, except that the tax shall not exceed the tax  
14 that would otherwise be imposed under this Act. At the  
15 time of the sale, the purchaser shall execute a statement,  
16 signed under penalty of perjury, of his or her intent to  
17 title the vehicle in the state in which the purchaser is a  
18 resident within 30 days after the sale and of the fact of  
19 the payment to the State of Illinois of tax in an amount  
20 equivalent to the state's rate of tax on taxable property  
21 in his or her state of residence and shall submit the  
22 statement to the appropriate tax collection agency in his  
23 or her state of residence. In addition, the retailer must  
24 retain a signed copy of the statement in his or her  
25 records. Nothing in this item shall be construed to  
26 require the removal of the vehicle from this state

1 following the filing of an intent to title the vehicle in  
2 the purchaser's state of residence if the purchaser titles  
3 the vehicle in his or her state of residence within 30 days  
4 after the date of sale. The tax collected under this Act in  
5 accordance with this item (25-5) shall be proportionately  
6 distributed as if the tax were collected at the 6.25%  
7 general rate imposed under this Act.

8 (25-7) Beginning on July 1, 2007, no tax is imposed  
9 under this Act on the sale of an aircraft, as defined in  
10 Section 3 of the Illinois Aeronautics Act, if all of the  
11 following conditions are met:

12 (1) the aircraft leaves this State within 15 days  
13 after the later of either the issuance of the final  
14 billing for the sale of the aircraft, or the  
15 authorized approval for return to service, completion  
16 of the maintenance record entry, and completion of the  
17 test flight and ground test for inspection, as  
18 required by 14 C.F.R. 91.407;

19 (2) the aircraft is not based or registered in  
20 this State after the sale of the aircraft; and

21 (3) the seller retains in his or her books and  
22 records and provides to the Department a signed and  
23 dated certification from the purchaser, on a form  
24 prescribed by the Department, certifying that the  
25 requirements of this item (25-7) are met. The  
26 certificate must also include the name and address of

1           the purchaser, the address of the location where the  
2           aircraft is to be titled or registered, the address of  
3           the primary physical location of the aircraft, and  
4           other information that the Department may reasonably  
5           require.

6           For purposes of this item (25-7):

7           "Based in this State" means hangared, stored, or  
8           otherwise used, excluding post-sale customizations as  
9           defined in this Section, for 10 or more days in each  
10          12-month period immediately following the date of the sale  
11          of the aircraft.

12          "Registered in this State" means an aircraft  
13          registered with the Department of Transportation,  
14          Aeronautics Division, or titled or registered with the  
15          Federal Aviation Administration to an address located in  
16          this State.

17          This paragraph (25-7) is exempt from the provisions of  
18          Section 2-70.

19          (26) Semen used for artificial insemination of  
20          livestock for direct agricultural production.

21          (27) Horses, or interests in horses, registered with  
22          and meeting the requirements of any of the Arabian Horse  
23          Club Registry of America, Appaloosa Horse Club, American  
24          Quarter Horse Association, United States Trotting  
25          Association, or Jockey Club, as appropriate, used for  
26          purposes of breeding or racing for prizes. This item (27)

1 is exempt from the provisions of Section 2-70, and the  
2 exemption provided for under this item (27) applies for  
3 all periods beginning May 30, 1995, but no claim for  
4 credit or refund is allowed on or after January 1, 2008  
5 (the effective date of Public Act 95-88) for such taxes  
6 paid during the period beginning May 30, 2000 and ending  
7 on January 1, 2008 (the effective date of Public Act  
8 95-88).

9 (28) Computers and communications equipment utilized  
10 for any hospital purpose and equipment used in the  
11 diagnosis, analysis, or treatment of hospital patients  
12 sold to a lessor who leases the equipment, under a lease of  
13 one year or longer executed or in effect at the time of the  
14 purchase, to a hospital that has been issued an active tax  
15 exemption identification number by the Department under  
16 Section 1g of this Act.

17 (29) Personal property sold to a lessor who leases the  
18 property, under a lease of one year or longer executed or  
19 in effect at the time of the purchase, to a governmental  
20 body that has been issued an active tax exemption  
21 identification number by the Department under Section 1g  
22 of this Act.

23 (30) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on  
25 or before December 31, 2004, personal property that is  
26 donated for disaster relief to be used in a State or



1       federally declared disaster area in Illinois or bordering  
2       Illinois by a manufacturer or retailer that is registered  
3       in this State to a corporation, society, association,  
4       foundation, or institution that has been issued a sales  
5       tax exemption identification number by the Department that  
6       assists victims of the disaster who reside within the  
7       declared disaster area.

8               (31) Beginning with taxable years ending on or after  
9       December 31, 1995 and ending with taxable years ending on  
10      or before December 31, 2004, personal property that is  
11      used in the performance of infrastructure repairs in this  
12      State, including but not limited to municipal roads and  
13      streets, access roads, bridges, sidewalks, waste disposal  
14      systems, water and sewer line extensions, water  
15      distribution and purification facilities, storm water  
16      drainage and retention facilities, and sewage treatment  
17      facilities, resulting from a State or federally declared  
18      disaster in Illinois or bordering Illinois when such  
19      repairs are initiated on facilities located in the  
20      declared disaster area within 6 months after the disaster.

21              (32) Beginning July 1, 1999, game or game birds sold  
22      at a "game breeding and hunting preserve area" as that  
23      term is used in the Wildlife Code. This paragraph is  
24      exempt from the provisions of Section 2-70.

25              (33) A motor vehicle, as that term is defined in  
26      Section 1-146 of the Illinois Vehicle Code, that is

1       donated to a corporation, limited liability company,  
2       society, association, foundation, or institution that is  
3       determined by the Department to be organized and operated  
4       exclusively for educational purposes. For purposes of this  
5       exemption, "a corporation, limited liability company,  
6       society, association, foundation, or institution organized  
7       and operated exclusively for educational purposes" means  
8       all tax-supported public schools, private schools that  
9       offer systematic instruction in useful branches of  
10      learning by methods common to public schools and that  
11      compare favorably in their scope and intensity with the  
12      course of study presented in tax-supported schools, and  
13      vocational or technical schools or institutes organized  
14      and operated exclusively to provide a course of study of  
15      not less than 6 weeks duration and designed to prepare  
16      individuals to follow a trade or to pursue a manual,  
17      technical, mechanical, industrial, business, or commercial  
18      occupation.

19           (34) Beginning January 1, 2000, personal property,  
20      including food, purchased through fundraising events for  
21      the benefit of a public or private elementary or secondary  
22      school, a group of those schools, or one or more school  
23      districts if the events are sponsored by an entity  
24      recognized by the school district that consists primarily  
25      of volunteers and includes parents and teachers of the  
26      school children. This paragraph does not apply to

1 fundraising events (i) for the benefit of private home  
2 instruction or (ii) for which the fundraising entity  
3 purchases the personal property sold at the events from  
4 another individual or entity that sold the property for  
5 the purpose of resale by the fundraising entity and that  
6 profits from the sale to the fundraising entity. This  
7 paragraph is exempt from the provisions of Section 2-70.

8 (35) Beginning January 1, 2000 and through December  
9 31, 2001, new or used automatic vending machines that  
10 prepare and serve hot food and beverages, including  
11 coffee, soup, and other items, and replacement parts for  
12 these machines. Beginning January 1, 2002 and through June  
13 30, 2003, machines and parts for machines used in  
14 commercial, coin-operated amusement and vending business  
15 if a use or occupation tax is paid on the gross receipts  
16 derived from the use of the commercial, coin-operated  
17 amusement and vending machines. This paragraph is exempt  
18 from the provisions of Section 2-70.

19 (35-5) Beginning August 23, 2001 and through June 30,  
20 2016, food for human consumption that is to be consumed  
21 off the premises where it is sold (other than alcoholic  
22 beverages, soft drinks, and food that has been prepared  
23 for immediate consumption) and prescription and  
24 nonprescription medicines, drugs, medical appliances, and  
25 insulin, urine testing materials, syringes, and needles  
26 used by diabetics, for human use, when purchased for use

1 by a person receiving medical assistance under Article V  
2 of the Illinois Public Aid Code who resides in a licensed  
3 long-term care facility, as defined in the Nursing Home  
4 Care Act, or a licensed facility as defined in the ID/DD  
5 Community Care Act, the MC/DD Act, or the Specialized  
6 Mental Health Rehabilitation Act of 2013.

7 (36) Beginning August 2, 2001, computers and  
8 communications equipment utilized for any hospital purpose  
9 and equipment used in the diagnosis, analysis, or  
10 treatment of hospital patients sold to a lessor who leases  
11 the equipment, under a lease of one year or longer  
12 executed or in effect at the time of the purchase, to a  
13 hospital that has been issued an active tax exemption  
14 identification number by the Department under Section 1g  
15 of this Act. This paragraph is exempt from the provisions  
16 of Section 2-70.

17 (37) Beginning August 2, 2001, personal property sold  
18 to a lessor who leases the property, under a lease of one  
19 year or longer executed or in effect at the time of the  
20 purchase, to a governmental body that has been issued an  
21 active tax exemption identification number by the  
22 Department under Section 1g of this Act. This paragraph is  
23 exempt from the provisions of Section 2-70.

24 (38) Beginning on January 1, 2002 and through June 30,  
25 2016, tangible personal property purchased from an  
26 Illinois retailer by a taxpayer engaged in centralized

1 purchasing activities in Illinois who will, upon receipt  
2 of the property in Illinois, temporarily store the  
3 property in Illinois (i) for the purpose of subsequently  
4 transporting it outside this State for use or consumption  
5 thereafter solely outside this State or (ii) for the  
6 purpose of being processed, fabricated, or manufactured  
7 into, attached to, or incorporated into other tangible  
8 personal property to be transported outside this State and  
9 thereafter used or consumed solely outside this State. The  
10 Director of Revenue shall, pursuant to rules adopted in  
11 accordance with the Illinois Administrative Procedure Act,  
12 issue a permit to any taxpayer in good standing with the  
13 Department who is eligible for the exemption under this  
14 paragraph (38). The permit issued under this paragraph  
15 (38) shall authorize the holder, to the extent and in the  
16 manner specified in the rules adopted under this Act, to  
17 purchase tangible personal property from a retailer exempt  
18 from the taxes imposed by this Act. Taxpayers shall  
19 maintain all necessary books and records to substantiate  
20 the use and consumption of all such tangible personal  
21 property outside of the State of Illinois.

22 (39) Beginning January 1, 2008, tangible personal  
23 property used in the construction or maintenance of a  
24 community water supply, as defined under Section 3.145 of  
25 the Environmental Protection Act, that is operated by a  
26 not-for-profit corporation that holds a valid water supply

1 permit issued under Title IV of the Environmental  
2 Protection Act. This paragraph is exempt from the  
3 provisions of Section 2-70.

4 (40) Beginning January 1, 2010 and continuing through  
5 December 31, 2024, materials, parts, equipment,  
6 components, and furnishings incorporated into or upon an  
7 aircraft as part of the modification, refurbishment,  
8 completion, replacement, repair, or maintenance of the  
9 aircraft. This exemption includes consumable supplies used  
10 in the modification, refurbishment, completion,  
11 replacement, repair, and maintenance of aircraft, but  
12 excludes any materials, parts, equipment, components, and  
13 consumable supplies used in the modification, replacement,  
14 repair, and maintenance of aircraft engines or power  
15 plants, whether such engines or power plants are installed  
16 or uninstalled upon any such aircraft. "Consumable  
17 supplies" include, but are not limited to, adhesive, tape,  
18 sandpaper, general purpose lubricants, cleaning solution,  
19 latex gloves, and protective films. This exemption applies  
20 only to the sale of qualifying tangible personal property  
21 to persons who modify, refurbish, complete, replace, or  
22 maintain an aircraft and who (i) hold an Air Agency  
23 Certificate and are empowered to operate an approved  
24 repair station by the Federal Aviation Administration,  
25 (ii) have a Class IV Rating, and (iii) conduct operations  
26 in accordance with Part 145 of the Federal Aviation

1 Regulations. The exemption does not include aircraft  
2 operated by a commercial air carrier providing scheduled  
3 passenger air service pursuant to authority issued under  
4 Part 121 or Part 129 of the Federal Aviation Regulations.  
5 The changes made to this paragraph (40) by Public Act  
6 98-534 are declarative of existing law. It is the intent  
7 of the General Assembly that the exemption under this  
8 paragraph (40) applies continuously from January 1, 2010  
9 through December 31, 2024; however, no claim for credit or  
10 refund is allowed for taxes paid as a result of the  
11 disallowance of this exemption on or after January 1, 2015  
12 and prior to the effective date of this amendatory Act of  
13 the 101st General Assembly.

14 (41) Tangible personal property sold to a  
15 public-facilities corporation, as described in Section  
16 11-65-10 of the Illinois Municipal Code, for purposes of  
17 constructing or furnishing a municipal convention hall,  
18 but only if the legal title to the municipal convention  
19 hall is transferred to the municipality without any  
20 further consideration by or on behalf of the municipality  
21 at the time of the completion of the municipal convention  
22 hall or upon the retirement or redemption of any bonds or  
23 other debt instruments issued by the public-facilities  
24 corporation in connection with the development of the  
25 municipal convention hall. This exemption includes  
26 existing public-facilities corporations as provided in

1 Section 11-65-25 of the Illinois Municipal Code. This  
2 paragraph is exempt from the provisions of Section 2-70.

3 (42) Beginning January 1, 2017 and through December  
4 31, 2026, menstrual pads, tampons, and menstrual cups.

5 (43) Merchandise that is subject to the Rental  
6 Purchase Agreement Occupation and Use Tax. The purchaser  
7 must certify that the item is purchased to be rented  
8 subject to a rental purchase agreement, as defined in the  
9 Rental Purchase Agreement Act, and provide proof of  
10 registration under the Rental Purchase Agreement  
11 Occupation and Use Tax Act. This paragraph is exempt from  
12 the provisions of Section 2-70.

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



1 original investment that would have qualified.

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

8 For the purposes of this item (44):

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

13 "Qualified tangible personal property" means:  
14 electrical systems and equipment; climate control and  
15 chilling equipment and systems; mechanical systems and  
16 equipment; monitoring and secure systems; emergency  
17 generators; hardware; computers; servers; data storage  
18 devices; network connectivity equipment; racks;  
19 cabinets; telecommunications cabling infrastructure;  
20 raised floor systems; peripheral components or  
21 systems; software; mechanical, electrical, or plumbing  
22 systems; battery systems; cooling systems and towers;  
23 temperature control systems; other cabling; and other  
24 data center infrastructure equipment and systems  
25 necessary to operate qualified tangible personal  
26 property, including fixtures; and component parts of

1 any of the foregoing, including installation,  
2 maintenance, repair, refurbishment, and replacement of  
3 qualified tangible personal property to generate,  
4 transform, transmit, distribute, or manage electricity  
5 necessary to operate qualified tangible personal  
6 property; and all other tangible personal property  
7 that is essential to the operations of a computer data  
8 center. The term "qualified tangible personal  
9 property" also includes building materials physically  
10 incorporated into ~~in to~~ the qualifying data center. To  
11 document the exemption allowed under this Section, the  
12 retailer must obtain from the purchaser a copy of the  
13 certificate of eligibility issued by the Department of  
14 Commerce and Economic Opportunity.

15 This item (44) is exempt from the provisions of  
16 Section 2-70.

17 (45) Beginning January 1, 2020 and through December  
18 31, 2020, sales of tangible personal property made by a  
19 marketplace seller over a marketplace for which tax is due  
20 under this Act but for which use tax has been collected and  
21 remitted to the Department by a marketplace facilitator  
22 under Section 2d of the Use Tax Act are exempt from tax  
23 under this Act. A marketplace seller claiming this  
24 exemption shall maintain books and records demonstrating  
25 that the use tax on such sales has been collected and  
26 remitted by a marketplace facilitator. Marketplace sellers

1 that have properly remitted tax under this Act on such  
2 sales may file a claim for credit as provided in Section 6  
3 of this Act. No claim is allowed, however, for such taxes  
4 for which a credit or refund has been issued to the  
5 marketplace facilitator under the Use Tax Act, or for  
6 which the marketplace facilitator has filed a claim for  
7 credit or refund under the Use Tax Act.

8 (46) Beginning July 1, 2022, breast pumps, breast pump  
9 collection and storage supplies, and breast pump kits.  
10 This item (46) is exempt from the provisions of Section  
11 2-70. As used in this item (46):

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

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

24 "Breast pump collection and storage supplies"  
25 includes, but is not limited to: breast shields and breast  
26 shield connectors; breast pump tubes and tubing adapters;

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

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

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

24 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
25 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
26 8-27-21; revised 11-9-21.)

1           ARTICLE 75. USE AND OCCUPATION TAXES-EQUIPMENT

2           Section 75-5. The Use Tax Act is amended by changing  
3 Section 3-5 as follows:

4           (35 ILCS 105/3-5)

5           Sec. 3-5. Exemptions. Use of the following tangible  
6 personal property is exempt from the tax imposed by this Act:

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

14           (2) Personal property purchased by a not-for-profit  
15 Illinois county fair association for use in conducting,  
16 operating, or promoting the county fair.

17           (3) Personal property purchased by a not-for-profit arts  
18 or cultural organization that establishes, by proof required  
19 by the Department by rule, that it has received an exemption  
20 under Section 501(c)(3) of the Internal Revenue Code and that  
21 is organized and operated primarily for the presentation or  
22 support of arts or cultural programming, activities, or  
23 services. These organizations include, but are not limited to,

1 music and dramatic arts organizations such as symphony  
2 orchestras and theatrical groups, arts and cultural service  
3 organizations, local arts councils, visual arts organizations,  
4 and media arts organizations. On and after July 1, 2001 (the  
5 effective date of Public Act 92-35), however, an entity  
6 otherwise eligible for this exemption shall not make tax-free  
7 purchases unless it has an active identification number issued  
8 by the Department.

9 (4) Personal property purchased by a governmental body, by  
10 a corporation, society, association, foundation, or  
11 institution organized and operated exclusively for charitable,  
12 religious, or educational purposes, or by a not-for-profit  
13 corporation, society, association, foundation, institution, or  
14 organization that has no compensated officers or employees and  
15 that is organized and operated primarily for the recreation of  
16 persons 55 years of age or older. A limited liability company  
17 may qualify for the exemption under this paragraph only if the  
18 limited liability company is organized and operated  
19 exclusively for educational purposes. On and after July 1,  
20 1987, however, no entity otherwise eligible for this exemption  
21 shall make tax-free purchases unless it has an active  
22 exemption identification number issued by the Department.

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

26 (6) Until July 1, 2003 and beginning again on September 1,

1 2004 through August 30, 2014, graphic arts machinery and  
2 equipment, including repair and replacement parts, both new  
3 and used, and including that manufactured on special order,  
4 certified by the purchaser to be used primarily for graphic  
5 arts production, and including machinery and equipment  
6 purchased for lease. Equipment includes chemicals or chemicals  
7 acting as catalysts but only if the chemicals or chemicals  
8 acting as catalysts effect a direct and immediate change upon  
9 a graphic arts product. Beginning on July 1, 2017, graphic  
10 arts machinery and equipment is included in the manufacturing  
11 and assembling machinery and equipment exemption under  
12 paragraph (18).

13 (7) Farm chemicals.

14 (8) Legal tender, currency, medallions, or gold or silver  
15 coinage issued by the State of Illinois, the government of the  
16 United States of America, or the government of any foreign  
17 country, and bullion.

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

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

24 (11) Farm machinery and equipment, both new and used,  
25 including that manufactured on special order, certified by the  
26 purchaser to be used primarily for production agriculture or

1 State or federal agricultural programs, including individual  
2 replacement parts for the machinery and equipment, including  
3 machinery and equipment purchased for lease, and including  
4 implements of husbandry defined in Section 1-130 of the  
5 Illinois Vehicle Code, farm machinery and agricultural  
6 chemical and fertilizer spreaders, and nurse wagons required  
7 to be registered under Section 3-809 of the Illinois Vehicle  
8 Code, but excluding other motor vehicles required to be  
9 registered under the Illinois Vehicle Code. Horticultural  
10 polyhouses or hoop houses used for propagating, growing, or  
11 overwintering plants shall be considered farm machinery and  
12 equipment under this item (11). Agricultural chemical tender  
13 tanks and dry boxes shall include units sold separately from a  
14 motor vehicle required to be licensed and units sold mounted  
15 on a motor vehicle required to be licensed if the selling price  
16 of the tender is separately stated.

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

25 Farm machinery and equipment also includes computers,  
26 sensors, software, and related equipment used primarily in the



1 computer-assisted operation of production agriculture  
2 facilities, equipment, and activities such as, but not limited  
3 to, the collection, monitoring, and correlation of animal and  
4 crop data for the purpose of formulating animal diets and  
5 agricultural chemicals. This item (11) is exempt from the  
6 provisions of Section 3-90.

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

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

24 (13) Proceeds of mandatory service charges separately  
25 stated on customers' bills for the purchase and consumption of  
26 food and beverages purchased at retail from a retailer, to the

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

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

16 (15) Photoprocessing machinery and equipment, including  
17 repair and replacement parts, both new and used, including  
18 that manufactured on special order, certified by the purchaser  
19 to be used primarily for photoprocessing, and including  
20 photoprocessing machinery and equipment purchased for lease.

21 (16) Until July 1, 2028 ~~July 1, 2023~~, coal and aggregate  
22 exploration, mining, off-highway hauling, processing,  
23 maintenance, and reclamation equipment, including replacement  
24 parts and equipment, and including equipment purchased for  
25 lease, but excluding motor vehicles required to be registered  
26 under the Illinois Vehicle Code. The changes made to this

1 Section by Public Act 97-767 apply on and after July 1, 2003,  
2 but no claim for credit or refund is allowed on or after August  
3 16, 2013 (the effective date of Public Act 98-456) for such  
4 taxes paid during the period beginning July 1, 2003 and ending  
5 on August 16, 2013 (the effective date of Public Act 98-456).

6 (17) Until July 1, 2003, distillation machinery and  
7 equipment, sold as a unit or kit, assembled or installed by the  
8 retailer, certified by the user to be used only for the  
9 production of ethyl alcohol that will be used for consumption  
10 as motor fuel or as a component of motor fuel for the personal  
11 use of the user, and not subject to sale or resale.

12 (18) Manufacturing and assembling machinery and equipment  
13 used primarily in the process of manufacturing or assembling  
14 tangible personal property for wholesale or retail sale or  
15 lease, whether that sale or lease is made directly by the  
16 manufacturer or by some other person, whether the materials  
17 used in the process are owned by the manufacturer or some other  
18 person, or whether that sale or lease is made apart from or as  
19 an incident to the seller's engaging in the service occupation  
20 of producing machines, tools, dies, jigs, patterns, gauges, or  
21 other similar items of no commercial value on special order  
22 for a particular purchaser. The exemption provided by this  
23 paragraph (18) includes production related tangible personal  
24 property, as defined in Section 3-50, purchased on or after  
25 July 1, 2019. The exemption provided by this paragraph (18)  
26 does not include machinery and equipment used in (i) the

1 generation of electricity for wholesale or retail sale; (ii)  
2 the generation or treatment of natural or artificial gas for  
3 wholesale or retail sale that is delivered to customers  
4 through pipes, pipelines, or mains; or (iii) the treatment of  
5 water for wholesale or retail sale that is delivered to  
6 customers through pipes, pipelines, or mains. The provisions  
7 of Public Act 98-583 are declaratory of existing law as to the  
8 meaning and scope of this exemption. Beginning on July 1,  
9 2017, the exemption provided by this paragraph (18) includes,  
10 but is not limited to, graphic arts machinery and equipment,  
11 as defined in paragraph (6) of this Section.

12 (19) Personal property delivered to a purchaser or  
13 purchaser's donee inside Illinois when the purchase order for  
14 that personal property was received by a florist located  
15 outside Illinois who has a florist located inside Illinois  
16 deliver the personal property.

17 (20) Semen used for artificial insemination of livestock  
18 for direct agricultural production.

19 (21) Horses, or interests in horses, registered with and  
20 meeting the requirements of any of the Arabian Horse Club  
21 Registry of America, Appaloosa Horse Club, American Quarter  
22 Horse Association, United States Trotting Association, or  
23 Jockey Club, as appropriate, used for purposes of breeding or  
24 racing for prizes. This item (21) is exempt from the  
25 provisions of Section 3-90, and the exemption provided for  
26 under this item (21) applies for all periods beginning May 30,

1 1995, but no claim for credit or refund is allowed on or after  
2 January 1, 2008 for such taxes paid during the period  
3 beginning May 30, 2000 and ending on January 1, 2008.

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

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

22           (24) Beginning with taxable years ending on or after  
23 December 31, 1995 and ending with taxable years ending on or  
24 before December 31, 2004, personal property that is donated  
25 for disaster relief to be used in a State or federally declared  
26 disaster area in Illinois or bordering Illinois by a

1 manufacturer or retailer that is registered in this State to a  
2 corporation, society, association, foundation, or institution  
3 that has been issued a sales tax exemption identification  
4 number by the Department that assists victims of the disaster  
5 who reside within the declared disaster area.

6 (25) Beginning with taxable years ending on or after  
7 December 31, 1995 and ending with taxable years ending on or  
8 before December 31, 2004, personal property that is used in  
9 the performance of infrastructure repairs in this State,  
10 including but not limited to municipal roads and streets,  
11 access roads, bridges, sidewalks, waste disposal systems,  
12 water and sewer line extensions, water distribution and  
13 purification facilities, storm water drainage and retention  
14 facilities, and sewage treatment facilities, resulting from a  
15 State or federally declared disaster in Illinois or bordering  
16 Illinois when such repairs are initiated on facilities located  
17 in the declared disaster area within 6 months after the  
18 disaster.

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

23 (27) A motor vehicle, as that term is defined in Section  
24 1-146 of the Illinois Vehicle Code, that is donated to a  
25 corporation, limited liability company, society, association,  
26 foundation, or institution that is determined by the

1 Department to be organized and operated exclusively for  
2 educational purposes. For purposes of this exemption, "a  
3 corporation, limited liability company, society, association,  
4 foundation, or institution organized and operated exclusively  
5 for educational purposes" means all tax-supported public  
6 schools, private schools that offer systematic instruction in  
7 useful branches of learning by methods common to public  
8 schools and that compare favorably in their scope and  
9 intensity with the course of study presented in tax-supported  
10 schools, and vocational or technical schools or institutes  
11 organized and operated exclusively to provide a course of  
12 study of not less than 6 weeks duration and designed to prepare  
13 individuals to follow a trade or to pursue a manual,  
14 technical, mechanical, industrial, business, or commercial  
15 occupation.

16 (28) Beginning January 1, 2000, personal property,  
17 including food, purchased through fundraising events for the  
18 benefit of a public or private elementary or secondary school,  
19 a group of those schools, or one or more school districts if  
20 the events are sponsored by an entity recognized by the school  
21 district that consists primarily of volunteers and includes  
22 parents and teachers of the school children. This paragraph  
23 does not apply to fundraising events (i) for the benefit of  
24 private home instruction or (ii) for which the fundraising  
25 entity purchases the personal property sold at the events from  
26 another individual or entity that sold the property for the



1 purpose of resale by the fundraising entity and that profits  
2 from the sale to the fundraising entity. This paragraph is  
3 exempt from the provisions of Section 3-90.

4 (29) Beginning January 1, 2000 and through December 31,  
5 2001, new or used automatic vending machines that prepare and  
6 serve hot food and beverages, including coffee, soup, and  
7 other items, and replacement parts for these machines.  
8 Beginning January 1, 2002 and through June 30, 2003, machines  
9 and parts for machines used in commercial, coin-operated  
10 amusement and vending business if a use or occupation tax is  
11 paid on the gross receipts derived from the use of the  
12 commercial, coin-operated amusement and vending machines. This  
13 paragraph is exempt from the provisions of Section 3-90.

14 (30) Beginning January 1, 2001 and through June 30, 2016,  
15 food for human consumption that is to be consumed off the  
16 premises where it is sold (other than alcoholic beverages,  
17 soft drinks, and food that has been prepared for immediate  
18 consumption) and prescription and nonprescription medicines,  
19 drugs, medical appliances, and insulin, urine testing  
20 materials, syringes, and needles used by diabetics, for human  
21 use, when purchased for use by a person receiving medical  
22 assistance under Article V of the Illinois Public Aid Code who  
23 resides in a licensed long-term care facility, as defined in  
24 the Nursing Home Care Act, or in a licensed facility as defined  
25 in the ID/DD Community Care Act, the MC/DD Act, or the  
26 Specialized Mental Health Rehabilitation Act of 2013.

1           (31) Beginning on August 2, 2001 (the effective date of  
2 Public Act 92-227), computers and communications equipment  
3 utilized for any hospital purpose and equipment used in the  
4 diagnosis, analysis, or treatment of hospital patients  
5 purchased by a lessor who leases the equipment, under a lease  
6 of one year or longer executed or in effect at the time the  
7 lessor would otherwise be subject to the tax imposed by this  
8 Act, to a hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of  
10 the Retailers' Occupation Tax Act. If the equipment is leased  
11 in a manner that does not qualify for this exemption or is used  
12 in any other nonexempt manner, the lessor shall be liable for  
13 the tax imposed under this Act or the Service Use Tax Act, as  
14 the case may be, based on the fair market value of the property  
15 at the time the nonqualifying use occurs. No lessor shall  
16 collect or attempt to collect an amount (however designated)  
17 that purports to reimburse that lessor for the tax imposed by  
18 this Act or the Service Use Tax Act, as the case may be, if the  
19 tax has not been paid by the lessor. If a lessor improperly  
20 collects any such amount from the lessee, the lessee shall  
21 have a legal right to claim a refund of that amount from the  
22 lessor. If, however, that amount is not refunded to the lessee  
23 for any reason, the lessor is liable to pay that amount to the  
24 Department. This paragraph is exempt from the provisions of  
25 Section 3-90.

26           (32) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227), personal property purchased by a lessor  
2 who leases the property, under a lease of one year or longer  
3 executed or in effect at the time the lessor would otherwise be  
4 subject to the tax imposed by this Act, to a governmental body  
5 that has been issued an active sales tax exemption  
6 identification number by the Department under Section 1g of  
7 the Retailers' Occupation Tax Act. If the property is leased  
8 in a manner that does not qualify for this exemption or used in  
9 any other nonexempt manner, the lessor shall be liable for the  
10 tax imposed under this Act or the Service Use Tax Act, as the  
11 case may be, based on the fair market value of the property at  
12 the time the nonqualifying use occurs. No lessor shall collect  
13 or attempt to collect an amount (however designated) that  
14 purports to reimburse that lessor for the tax imposed by this  
15 Act or the Service Use Tax Act, as the case may be, if the tax  
16 has not been paid by the lessor. If a lessor improperly  
17 collects any such amount from the lessee, the lessee shall  
18 have a legal right to claim a refund of that amount from the  
19 lessor. If, however, that amount is not refunded to the lessee  
20 for any reason, the lessor is liable to pay that amount to the  
21 Department. This paragraph is exempt from the provisions of  
22 Section 3-90.

23 (33) On and after July 1, 2003 and through June 30, 2004,  
24 the use in this State of motor vehicles of the second division  
25 with a gross vehicle weight in excess of 8,000 pounds and that  
26 are subject to the commercial distribution fee imposed under

1 Section 3-815.1 of the Illinois Vehicle Code. Beginning on  
2 July 1, 2004 and through June 30, 2005, the use in this State  
3 of motor vehicles of the second division: (i) with a gross  
4 vehicle weight rating in excess of 8,000 pounds; (ii) that are  
5 subject to the commercial distribution fee imposed under  
6 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that  
7 are primarily used for commercial purposes. Through June 30,  
8 2005, this exemption applies to repair and replacement parts  
9 added after the initial purchase of such a motor vehicle if  
10 that motor vehicle is used in a manner that would qualify for  
11 the rolling stock exemption otherwise provided for in this  
12 Act. For purposes of this paragraph, the term "used for  
13 commercial purposes" means the transportation of persons or  
14 property in furtherance of any commercial or industrial  
15 enterprise, whether for-hire or not.

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

23 (35) Beginning January 1, 2010 and continuing through  
24 December 31, 2024, materials, parts, equipment, components,  
25 and furnishings incorporated into or upon an aircraft as part  
26 of the modification, refurbishment, completion, replacement,

1 repair, or maintenance of the aircraft. This exemption  
2 includes consumable supplies used in the modification,  
3 refurbishment, completion, replacement, repair, and  
4 maintenance of aircraft, but excludes any materials, parts,  
5 equipment, components, and consumable supplies used in the  
6 modification, replacement, repair, and maintenance of aircraft  
7 engines or power plants, whether such engines or power plants  
8 are installed or uninstalled upon any such aircraft.  
9 "Consumable supplies" include, but are not limited to,  
10 adhesive, tape, sandpaper, general purpose lubricants,  
11 cleaning solution, latex gloves, and protective films. This  
12 exemption applies only to the use of qualifying tangible  
13 personal property by persons who modify, refurbish, complete,  
14 repair, replace, or maintain aircraft and who (i) hold an Air  
15 Agency Certificate and are empowered to operate an approved  
16 repair station by the Federal Aviation Administration, (ii)  
17 have a Class IV Rating, and (iii) conduct operations in  
18 accordance with Part 145 of the Federal Aviation Regulations.  
19 The exemption does not include aircraft operated by a  
20 commercial air carrier providing scheduled passenger air  
21 service pursuant to authority issued under Part 121 or Part  
22 129 of the Federal Aviation Regulations. The changes made to  
23 this paragraph (35) by Public Act 98-534 are declarative of  
24 existing law. It is the intent of the General Assembly that the  
25 exemption under this paragraph (35) applies continuously from  
26 January 1, 2010 through December 31, 2024; however, no claim

1 for credit or refund is allowed for taxes paid as a result of  
2 the disallowance of this exemption on or after January 1, 2015  
3 and prior to the effective date of this amendatory Act of the  
4 101st General Assembly.

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

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

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

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

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

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

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

26 For the purposes of this item (40):

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

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



1 incorporated in to the qualifying data center. To document  
2 the exemption allowed under this Section, the retailer  
3 must obtain from the purchaser a copy of the certificate  
4 of eligibility issued by the Department of Commerce and  
5 Economic Opportunity.

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

8 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
9 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
10 6-17-21.)

11 Section 75-10. The Service Use Tax Act is amended by  
12 changing Section 3-5 as follows:

13 (35 ILCS 110/3-5)

14 Sec. 3-5. Exemptions. Use of the following tangible  
15 personal property is exempt from the tax imposed by this Act:

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

23 (2) Personal property purchased by a non-profit Illinois  
24 county fair association for use in conducting, operating, or

1 promoting the county fair.

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

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

21 (5) Until July 1, 2003 and beginning again on September 1,  
22 2004 through August 30, 2014, graphic arts machinery and  
23 equipment, including repair and replacement parts, both new  
24 and used, and including that manufactured on special order or  
25 purchased for lease, certified by the purchaser to be used  
26 primarily for graphic arts production. Equipment includes

1 chemicals or chemicals acting as catalysts but only if the  
2 chemicals or chemicals acting as catalysts effect a direct and  
3 immediate change upon a graphic arts product. Beginning on  
4 July 1, 2017, graphic arts machinery and equipment is included  
5 in the manufacturing and assembling machinery and equipment  
6 exemption under Section 2 of this Act.

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

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

1 on a motor vehicle required to be licensed if the selling price  
2 of the tender is separately stated.

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

11 Farm machinery and equipment also includes computers,  
12 sensors, software, and related equipment used primarily in the  
13 computer-assisted operation of production agriculture  
14 facilities, equipment, and activities such as, but not limited  
15 to, the collection, monitoring, and correlation of animal and  
16 crop data for the purpose of formulating animal diets and  
17 agricultural chemicals. This item (7) is exempt from the  
18 provisions of Section 3-75.

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

26 Beginning July 1, 2013, fuel and petroleum products sold

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

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

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

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

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

9 (12) Until July 1, 2028 ~~July 1, 2023~~, coal and aggregate  
10 exploration, mining, off-highway hauling, processing,  
11 maintenance, and reclamation equipment, including replacement  
12 parts and equipment, and including equipment purchased for  
13 lease, but excluding motor vehicles required to be registered  
14 under the Illinois Vehicle Code. The changes made to this  
15 Section by Public Act 97-767 apply on and after July 1, 2003,  
16 but no claim for credit or refund is allowed on or after August  
17 16, 2013 (the effective date of Public Act 98-456) for such  
18 taxes paid during the period beginning July 1, 2003 and ending  
19 on August 16, 2013 (the effective date of Public Act 98-456).

20 (13) Semen used for artificial insemination of livestock  
21 for direct agricultural production.

22 (14) Horses, or interests in horses, registered with and  
23 meeting the requirements of any of the Arabian Horse Club  
24 Registry of America, Appaloosa Horse Club, American Quarter  
25 Horse Association, United States Trotting Association, or  
26 Jockey Club, as appropriate, used for purposes of breeding or

1 racing for prizes. This item (14) is exempt from the  
2 provisions of Section 3-75, and the exemption provided for  
3 under this item (14) applies for all periods beginning May 30,  
4 1995, but no claim for credit or refund is allowed on or after  
5 January 1, 2008 (the effective date of Public Act 95-88) for  
6 such taxes paid during the period beginning May 30, 2000 and  
7 ending on January 1, 2008 (the effective date of Public Act  
8 95-88).

9 (15) Computers and communications equipment utilized for  
10 any hospital purpose and equipment used in the diagnosis,  
11 analysis, or treatment of hospital patients purchased by a  
12 lessor who leases the equipment, under a lease of one year or  
13 longer executed or in effect at the time the lessor would  
14 otherwise be subject to the tax imposed by this Act, to a  
15 hospital that has been issued an active tax exemption  
16 identification number by the Department under Section 1g of  
17 the Retailers' Occupation Tax Act. If the equipment is leased  
18 in a manner that does not qualify for this exemption or is used  
19 in any other non-exempt manner, the lessor shall be liable for  
20 the tax imposed under this Act or the Use Tax Act, as the case  
21 may be, based on the fair market value of the property at the  
22 time the non-qualifying use occurs. No lessor shall collect or  
23 attempt to collect an amount (however designated) that  
24 purports to reimburse that lessor for the tax imposed by this  
25 Act or the Use Tax Act, as the case may be, if the tax has not  
26 been paid by the lessor. If a lessor improperly collects any

1 such amount from the lessee, the lessee shall have a legal  
2 right to claim a refund of that amount from the lessor. If,  
3 however, that amount is not refunded to the lessee for any  
4 reason, the lessor is liable to pay that amount to the  
5 Department.

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

26 (17) Beginning with taxable years ending on or after



1 December 31, 1995 and ending with taxable years ending on or  
2 before December 31, 2004, personal property that is donated  
3 for disaster relief to be used in a State or federally declared  
4 disaster area in Illinois or bordering Illinois by a  
5 manufacturer or retailer that is registered in this State to a  
6 corporation, society, association, foundation, or institution  
7 that has been issued a sales tax exemption identification  
8 number by the Department that assists victims of the disaster  
9 who reside within the declared disaster area.

10 (18) Beginning with taxable years ending on or after  
11 December 31, 1995 and ending with taxable years ending on or  
12 before December 31, 2004, personal property that is used in  
13 the performance of infrastructure repairs in this State,  
14 including but not limited to municipal roads and streets,  
15 access roads, bridges, sidewalks, waste disposal systems,  
16 water and sewer line extensions, water distribution and  
17 purification facilities, storm water drainage and retention  
18 facilities, and sewage treatment facilities, resulting from a  
19 State or federally declared disaster in Illinois or bordering  
20 Illinois when such repairs are initiated on facilities located  
21 in the declared disaster area within 6 months after the  
22 disaster.

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

1           (20) A motor vehicle, as that term is defined in Section  
2 1-146 of the Illinois Vehicle Code, that is donated to a  
3 corporation, limited liability company, society, association,  
4 foundation, or institution that is determined by the  
5 Department to be organized and operated exclusively for  
6 educational purposes. For purposes of this exemption, "a  
7 corporation, limited liability company, society, association,  
8 foundation, or institution organized and operated exclusively  
9 for educational purposes" means all tax-supported public  
10 schools, private schools that offer systematic instruction in  
11 useful branches of learning by methods common to public  
12 schools and that compare favorably in their scope and  
13 intensity with the course of study presented in tax-supported  
14 schools, and vocational or technical schools or institutes  
15 organized and operated exclusively to provide a course of  
16 study of not less than 6 weeks duration and designed to prepare  
17 individuals to follow a trade or to pursue a manual,  
18 technical, mechanical, industrial, business, or commercial  
19 occupation.

20           (21) Beginning January 1, 2000, personal property,  
21 including food, purchased through fundraising events for the  
22 benefit of a public or private elementary or secondary school,  
23 a group of those schools, or one or more school districts if  
24 the events are sponsored by an entity recognized by the school  
25 district that consists primarily of volunteers and includes  
26 parents and teachers of the school children. This paragraph

1 does not apply to fundraising events (i) for the benefit of  
2 private home instruction or (ii) for which the fundraising  
3 entity purchases the personal property sold at the events from  
4 another individual or entity that sold the property for the  
5 purpose of resale by the fundraising entity and that profits  
6 from the sale to the fundraising entity. This paragraph is  
7 exempt from the provisions of Section 3-75.

8 (22) Beginning January 1, 2000 and through December 31,  
9 2001, new or used automatic vending machines that prepare and  
10 serve hot food and beverages, including coffee, soup, and  
11 other items, and replacement parts for these machines.  
12 Beginning January 1, 2002 and through June 30, 2003, machines  
13 and parts for machines used in commercial, coin-operated  
14 amusement and vending business if a use or occupation tax is  
15 paid on the gross receipts derived from the use of the  
16 commercial, coin-operated amusement and vending machines. This  
17 paragraph is exempt from the provisions of Section 3-75.

18 (23) Beginning August 23, 2001 and through June 30, 2016,  
19 food for human consumption that is to be consumed off the  
20 premises where it is sold (other than alcoholic beverages,  
21 soft drinks, and food that has been prepared for immediate  
22 consumption) and prescription and nonprescription medicines,  
23 drugs, medical appliances, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use, when purchased for use by a person receiving medical  
26 assistance under Article V of the Illinois Public Aid Code who

1 resides in a licensed long-term care facility, as defined in  
2 the Nursing Home Care Act, or in a licensed facility as defined  
3 in the ID/DD Community Care Act, the MC/DD Act, or the  
4 Specialized Mental Health Rehabilitation Act of 2013.

5 (24) Beginning on August 2, 2001 (the effective date of  
6 Public Act 92-227), computers and communications equipment  
7 utilized for any hospital purpose and equipment used in the  
8 diagnosis, analysis, or treatment of hospital patients  
9 purchased by a lessor who leases the equipment, under a lease  
10 of one year or longer executed or in effect at the time the  
11 lessor would otherwise be subject to the tax imposed by this  
12 Act, to a hospital that has been issued an active tax exemption  
13 identification number by the Department under Section 1g of  
14 the Retailers' Occupation Tax Act. If the equipment is leased  
15 in a manner that does not qualify for this exemption or is used  
16 in any other nonexempt manner, the lessor shall be liable for  
17 the tax imposed under this Act or the Use Tax Act, as the case  
18 may be, based on the fair market value of the property at the  
19 time the nonqualifying use occurs. No lessor shall collect or  
20 attempt to collect an amount (however designated) that  
21 purports to reimburse that lessor for the tax imposed by this  
22 Act or the Use Tax Act, as the case may be, if the tax has not  
23 been paid by the lessor. If a lessor improperly collects any  
24 such amount from the lessee, the lessee shall have a legal  
25 right to claim a refund of that amount from the lessor. If,  
26 however, that amount is not refunded to the lessee for any

1 reason, the lessor is liable to pay that amount to the  
2 Department. This paragraph is exempt from the provisions of  
3 Section 3-75.

4 (25) Beginning on August 2, 2001 (the effective date of  
5 Public Act 92-227), personal property purchased by a lessor  
6 who leases the property, under a lease of one year or longer  
7 executed or in effect at the time the lessor would otherwise be  
8 subject to the tax imposed by this Act, to a governmental body  
9 that has been issued an active tax exemption identification  
10 number by the Department under Section 1g of the Retailers'  
11 Occupation Tax Act. If the property is leased in a manner that  
12 does not qualify for this exemption or is used in any other  
13 nonexempt manner, the lessor shall be liable for the tax  
14 imposed under this Act or the Use Tax Act, as the case may be,  
15 based on the fair market value of the property at the time the  
16 nonqualifying use occurs. No lessor shall collect or attempt  
17 to collect an amount (however designated) that purports to  
18 reimburse that lessor for the tax imposed by this Act or the  
19 Use Tax Act, as the case may be, if the tax has not been paid  
20 by the lessor. If a lessor improperly collects any such amount  
21 from the lessee, the lessee shall have a legal right to claim a  
22 refund of that amount from the lessor. If, however, that  
23 amount is not refunded to the lessee for any reason, the lessor  
24 is liable to pay that amount to the Department. This paragraph  
25 is exempt from the provisions of Section 3-75.

26 (26) Beginning January 1, 2008, tangible personal property

1 used in the construction or maintenance of a community water  
2 supply, as defined under Section 3.145 of the Environmental  
3 Protection Act, that is operated by a not-for-profit  
4 corporation that holds a valid water supply permit issued  
5 under Title IV of the Environmental Protection Act. This  
6 paragraph is exempt from the provisions of Section 3-75.

7 (27) Beginning January 1, 2010 and continuing through  
8 December 31, 2024, materials, parts, equipment, components,  
9 and furnishings incorporated into or upon an aircraft as part  
10 of the modification, refurbishment, completion, replacement,  
11 repair, or maintenance of the aircraft. This exemption  
12 includes consumable supplies used in the modification,  
13 refurbishment, completion, replacement, repair, and  
14 maintenance of aircraft, but excludes any materials, parts,  
15 equipment, components, and consumable supplies used in the  
16 modification, replacement, repair, and maintenance of aircraft  
17 engines or power plants, whether such engines or power plants  
18 are installed or uninstalled upon any such aircraft.  
19 "Consumable supplies" include, but are not limited to,  
20 adhesive, tape, sandpaper, general purpose lubricants,  
21 cleaning solution, latex gloves, and protective films. This  
22 exemption applies only to the use of qualifying tangible  
23 personal property transferred incident to the modification,  
24 refurbishment, completion, replacement, repair, or maintenance  
25 of aircraft by persons who (i) hold an Air Agency Certificate  
26 and are empowered to operate an approved repair station by the

1 Federal Aviation Administration, (ii) have a Class IV Rating,  
2 and (iii) conduct operations in accordance with Part 145 of  
3 the Federal Aviation Regulations. The exemption does not  
4 include aircraft operated by a commercial air carrier  
5 providing scheduled passenger air service pursuant to  
6 authority issued under Part 121 or Part 129 of the Federal  
7 Aviation Regulations. The changes made to this paragraph (27)  
8 by Public Act 98-534 are declarative of existing law. It is the  
9 intent of the General Assembly that the exemption under this  
10 paragraph (27) applies continuously from January 1, 2010  
11 through December 31, 2024; however, no claim for credit or  
12 refund is allowed for taxes paid as a result of the  
13 disallowance of this exemption on or after January 1, 2015 and  
14 prior to the effective date of this amendatory Act of the 101st  
15 General Assembly.

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

1 hall. This exemption includes existing public-facilities  
2 corporations as provided in Section 11-65-25 of the Illinois  
3 Municipal Code. This paragraph is exempt from the provisions  
4 of Section 3-75.

5 (29) Beginning January 1, 2017 and through December 31,  
6 2026, menstrual pads, tampons, and menstrual cups.

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

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

25 The Department of Commerce and Economic Opportunity shall  
26 grant a certificate of exemption under this item (31) to



1 qualified data centers as defined by Section 605-1025 of the  
2 Department of Commerce and Economic Opportunity Law of the  
3 Civil Administrative Code of Illinois.

4 For the purposes of this item (31):

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

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

1 personal property; and all other tangible personal  
2 property that is essential to the operations of a computer  
3 data center. The term "qualified tangible personal  
4 property" also includes building materials physically  
5 incorporated in to the qualifying data center. To document  
6 the exemption allowed under this Section, the retailer  
7 must obtain from the purchaser a copy of the certificate  
8 of eligibility issued by the Department of Commerce and  
9 Economic Opportunity.

10 This item (31) is exempt from the provisions of Section  
11 3-75.

12 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
13 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

14 Section 75-15. The Service Occupation Tax Act is amended  
15 by changing Section 3-5 as follows:

16 (35 ILCS 115/3-5)

17 Sec. 3-5. Exemptions. The following tangible personal  
18 property is exempt from the tax imposed by this Act:

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

1 of resale by the enterprise.

2 (2) Personal property purchased by a not-for-profit  
3 Illinois county fair association for use in conducting,  
4 operating, or promoting the county fair.

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

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

24 (5) Until July 1, 2003 and beginning again on September 1,  
25 2004 through August 30, 2014, graphic arts machinery and  
26 equipment, including repair and replacement parts, both new

1 and used, and including that manufactured on special order or  
2 purchased for lease, certified by the purchaser to be used  
3 primarily for graphic arts production. Equipment includes  
4 chemicals or chemicals acting as catalysts but only if the  
5 chemicals or chemicals acting as catalysts effect a direct and  
6 immediate change upon a graphic arts product. Beginning on  
7 July 1, 2017, graphic arts machinery and equipment is included  
8 in the manufacturing and assembling machinery and equipment  
9 exemption under Section 2 of this Act.

10 (6) Personal property sold by a teacher-sponsored student  
11 organization affiliated with an elementary or secondary school  
12 located in Illinois.

13 (7) Farm machinery and equipment, both new and used,  
14 including that manufactured on special order, certified by the  
15 purchaser to be used primarily for production agriculture or  
16 State or federal agricultural programs, including individual  
17 replacement parts for the machinery and equipment, including  
18 machinery and equipment purchased for lease, and including  
19 implements of husbandry defined in Section 1-130 of the  
20 Illinois Vehicle Code, farm machinery and agricultural  
21 chemical and fertilizer spreaders, and nurse wagons required  
22 to be registered under Section 3-809 of the Illinois Vehicle  
23 Code, but excluding other motor vehicles required to be  
24 registered under the Illinois Vehicle Code. Horticultural  
25 polyhouses or hoop houses used for propagating, growing, or  
26 overwintering plants shall be considered farm machinery and

1 equipment under this item (7). Agricultural chemical tender  
2 tanks and dry boxes shall include units sold separately from a  
3 motor vehicle required to be licensed and units sold mounted  
4 on a motor vehicle required to be licensed if the selling price  
5 of the tender is separately stated.

6 Farm machinery and equipment shall include precision  
7 farming equipment that is installed or purchased to be  
8 installed on farm machinery and equipment including, but not  
9 limited to, tractors, harvesters, sprayers, planters, seeders,  
10 or spreaders. Precision farming equipment includes, but is not  
11 limited to, soil testing sensors, computers, monitors,  
12 software, global positioning and mapping systems, and other  
13 such equipment.

14 Farm machinery and equipment also includes computers,  
15 sensors, software, and related equipment used primarily in the  
16 computer-assisted operation of production agriculture  
17 facilities, equipment, and activities such as, but not limited  
18 to, the collection, monitoring, and correlation of animal and  
19 crop data for the purpose of formulating animal diets and  
20 agricultural chemicals. This item (7) is exempt from the  
21 provisions of Section 3-55.

22 (8) Until June 30, 2013, fuel and petroleum products sold  
23 to or used by an air common carrier, certified by the carrier  
24 to be used for consumption, shipment, or storage in the  
25 conduct of its business as an air common carrier, for a flight  
26 destined for or returning from a location or locations outside

1 the United States without regard to previous or subsequent  
2 domestic stopovers.

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

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

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

1 exploration, drilling, and production equipment, and (vi)  
2 machinery and equipment purchased for lease; but excluding  
3 motor vehicles required to be registered under the Illinois  
4 Vehicle Code.

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

10 (12) Until July 1, 2028 ~~July 1, 2023~~, coal and aggregate  
11 exploration, mining, off-highway hauling, processing,  
12 maintenance, and reclamation equipment, including replacement  
13 parts and equipment, and including equipment purchased for  
14 lease, but excluding motor vehicles required to be registered  
15 under the Illinois Vehicle Code. The changes made to this  
16 Section by Public Act 97-767 apply on and after July 1, 2003,  
17 but no claim for credit or refund is allowed on or after August  
18 16, 2013 (the effective date of Public Act 98-456) for such  
19 taxes paid during the period beginning July 1, 2003 and ending  
20 on August 16, 2013 (the effective date of Public Act 98-456).

21 (13) Beginning January 1, 1992 and through June 30, 2016,  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages,  
24 soft drinks and food that has been prepared for immediate  
25 consumption) and prescription and non-prescription medicines,  
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, when purchased for use by a person receiving medical  
3 assistance under Article V of the Illinois Public Aid Code who  
4 resides in a licensed long-term care facility, as defined in  
5 the Nursing Home Care Act, or in a licensed facility as defined  
6 in the ID/DD Community Care Act, the MC/DD Act, or the  
7 Specialized Mental Health Rehabilitation Act of 2013.

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

10 (15) Horses, or interests in horses, registered with and  
11 meeting the requirements of any of the Arabian Horse Club  
12 Registry of America, Appaloosa Horse Club, American Quarter  
13 Horse Association, United States Trotting Association, or  
14 Jockey Club, as appropriate, used for purposes of breeding or  
15 racing for prizes. This item (15) is exempt from the  
16 provisions of Section 3-55, and the exemption provided for  
17 under this item (15) applies for all periods beginning May 30,  
18 1995, but no claim for credit or refund is allowed on or after  
19 January 1, 2008 (the effective date of Public Act 95-88) for  
20 such taxes paid during the period beginning May 30, 2000 and  
21 ending on January 1, 2008 (the effective date of Public Act  
22 95-88).

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



1 executed or in effect at the time of the purchase, to a  
2 hospital that has been issued an active tax exemption  
3 identification number by the Department under Section 1g of  
4 the Retailers' Occupation Tax Act.

5 (17) Personal property sold to a lessor who leases the  
6 property, under a lease of one year or longer executed or in  
7 effect at the time of the purchase, to a governmental body that  
8 has been issued an active tax exemption identification number  
9 by the Department under Section 1g of the Retailers'  
10 Occupation Tax Act.

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

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

1 water and sewer line extensions, water distribution and  
2 purification facilities, storm water drainage and retention  
3 facilities, and sewage treatment facilities, resulting from a  
4 State or federally declared disaster in Illinois or bordering  
5 Illinois when such repairs are initiated on facilities located  
6 in the declared disaster area within 6 months after the  
7 disaster.

8 (20) Beginning July 1, 1999, game or game birds sold at a  
9 "game breeding and hunting preserve area" as that term is used  
10 in the Wildlife Code. This paragraph is exempt from the  
11 provisions of Section 3-55.

12 (21) A motor vehicle, as that term is defined in Section  
13 1-146 of the Illinois Vehicle Code, that is donated to a  
14 corporation, limited liability company, society, association,  
15 foundation, or institution that is determined by the  
16 Department to be organized and operated exclusively for  
17 educational purposes. For purposes of this exemption, "a  
18 corporation, limited liability company, society, association,  
19 foundation, or institution organized and operated exclusively  
20 for educational purposes" means all tax-supported public  
21 schools, private schools that offer systematic instruction in  
22 useful branches of learning by methods common to public  
23 schools and that compare favorably in their scope and  
24 intensity with the course of study presented in tax-supported  
25 schools, and vocational or technical schools or institutes  
26 organized and operated exclusively to provide a course of

1 study of not less than 6 weeks duration and designed to prepare  
2 individuals to follow a trade or to pursue a manual,  
3 technical, mechanical, industrial, business, or commercial  
4 occupation.

5 (22) Beginning January 1, 2000, personal property,  
6 including food, purchased through fundraising events for the  
7 benefit of a public or private elementary or secondary school,  
8 a group of those schools, or one or more school districts if  
9 the events are sponsored by an entity recognized by the school  
10 district that consists primarily of volunteers and includes  
11 parents and teachers of the school children. This paragraph  
12 does not apply to fundraising events (i) for the benefit of  
13 private home instruction or (ii) for which the fundraising  
14 entity purchases the personal property sold at the events from  
15 another individual or entity that sold the property for the  
16 purpose of resale by the fundraising entity and that profits  
17 from the sale to the fundraising entity. This paragraph is  
18 exempt from the provisions of Section 3-55.

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

1 commercial, coin-operated amusement and vending machines. This  
2 paragraph is exempt from the provisions of Section 3-55.

3 (24) Beginning on August 2, 2001 (the effective date of  
4 Public Act 92-227), computers and communications equipment  
5 utilized for any hospital purpose and equipment used in the  
6 diagnosis, analysis, or treatment of hospital patients sold to  
7 a lessor who leases the equipment, under a lease of one year or  
8 longer executed or in effect at the time of the purchase, to a  
9 hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of  
11 the Retailers' Occupation Tax Act. This paragraph is exempt  
12 from the provisions of Section 3-55.

13 (25) Beginning on August 2, 2001 (the effective date of  
14 Public Act 92-227), personal property sold to a lessor who  
15 leases the property, under a lease of one year or longer  
16 executed or in effect at the time of the purchase, to a  
17 governmental body that has been issued an active tax exemption  
18 identification number by the Department under Section 1g of  
19 the Retailers' Occupation Tax Act. This paragraph is exempt  
20 from the provisions of Section 3-55.

21 (26) Beginning on January 1, 2002 and through June 30,  
22 2016, tangible personal property purchased from an Illinois  
23 retailer by a taxpayer engaged in centralized purchasing  
24 activities in Illinois who will, upon receipt of the property  
25 in Illinois, temporarily store the property in Illinois (i)  
26 for the purpose of subsequently transporting it outside this

1 State for use or consumption thereafter solely outside this  
2 State or (ii) for the purpose of being processed, fabricated,  
3 or manufactured into, attached to, or incorporated into other  
4 tangible personal property to be transported outside this  
5 State and thereafter used or consumed solely outside this  
6 State. The Director of Revenue shall, pursuant to rules  
7 adopted in accordance with the Illinois Administrative  
8 Procedure Act, issue a permit to any taxpayer in good standing  
9 with the Department who is eligible for the exemption under  
10 this paragraph (26). The permit issued under this paragraph  
11 (26) shall authorize the holder, to the extent and in the  
12 manner specified in the rules adopted under this Act, to  
13 purchase tangible personal property from a retailer exempt  
14 from the taxes imposed by this Act. Taxpayers shall maintain  
15 all necessary books and records to substantiate the use and  
16 consumption of all such tangible personal property outside of  
17 the State of Illinois.

18 (27) Beginning January 1, 2008, tangible personal property  
19 used in the construction or maintenance of a community water  
20 supply, as defined under Section 3.145 of the Environmental  
21 Protection Act, that is operated by a not-for-profit  
22 corporation that holds a valid water supply permit issued  
23 under Title IV of the Environmental Protection Act. This  
24 paragraph is exempt from the provisions of Section 3-55.

25 (28) Tangible personal property sold to a  
26 public-facilities corporation, as described in Section

1 11-65-10 of the Illinois Municipal Code, for purposes of  
2 constructing or furnishing a municipal convention hall, but  
3 only if the legal title to the municipal convention hall is  
4 transferred to the municipality without any further  
5 consideration by or on behalf of the municipality at the time  
6 of the completion of the municipal convention hall or upon the  
7 retirement or redemption of any bonds or other debt  
8 instruments issued by the public-facilities corporation in  
9 connection with the development of the municipal convention  
10 hall. This exemption includes existing public-facilities  
11 corporations as provided in Section 11-65-25 of the Illinois  
12 Municipal Code. This paragraph is exempt from the provisions  
13 of Section 3-55.

14 (29) Beginning January 1, 2010 and continuing through  
15 December 31, 2024, materials, parts, equipment, components,  
16 and furnishings incorporated into or upon an aircraft as part  
17 of the modification, refurbishment, completion, replacement,  
18 repair, or maintenance of the aircraft. This exemption  
19 includes consumable supplies used in the modification,  
20 refurbishment, completion, replacement, repair, and  
21 maintenance of aircraft, but excludes any materials, parts,  
22 equipment, components, and consumable supplies used in the  
23 modification, replacement, repair, and maintenance of aircraft  
24 engines or power plants, whether such engines or power plants  
25 are installed or uninstalled upon any such aircraft.  
26 "Consumable supplies" include, but are not limited to,

1 adhesive, tape, sandpaper, general purpose lubricants,  
2 cleaning solution, latex gloves, and protective films. This  
3 exemption applies only to the transfer of qualifying tangible  
4 personal property incident to the modification, refurbishment,  
5 completion, replacement, repair, or maintenance of an aircraft  
6 by persons who (i) hold an Air Agency Certificate and are  
7 empowered to operate an approved repair station by the Federal  
8 Aviation Administration, (ii) have a Class IV Rating, and  
9 (iii) conduct operations in accordance with Part 145 of the  
10 Federal Aviation Regulations. The exemption does not include  
11 aircraft operated by a commercial air carrier providing  
12 scheduled passenger air service pursuant to authority issued  
13 under Part 121 or Part 129 of the Federal Aviation  
14 Regulations. The changes made to this paragraph (29) by Public  
15 Act 98-534 are declarative of existing law. It is the intent of  
16 the General Assembly that the exemption under this paragraph  
17 (29) applies continuously from January 1, 2010 through  
18 December 31, 2024; however, no claim for credit or refund is  
19 allowed for taxes paid as a result of the disallowance of this  
20 exemption on or after January 1, 2015 and prior to the  
21 effective date of this amendatory Act of the 101st General  
22 Assembly.

23 (30) Beginning January 1, 2017 and through December 31,  
24 2026, menstrual pads, tampons, and menstrual cups.

25 (31) Tangible personal property transferred to a purchaser  
26 who is exempt from tax by operation of federal law. This

1 paragraph is exempt from the provisions of Section 3-55.

2 (32) Qualified tangible personal property used in the  
3 construction or operation of a data center that has been  
4 granted a certificate of exemption by the Department of  
5 Commerce and Economic Opportunity, whether that tangible  
6 personal property is purchased by the owner, operator, or  
7 tenant of the data center or by a contractor or subcontractor  
8 of the owner, operator, or tenant. Data centers that would  
9 have qualified for a certificate of exemption prior to January  
10 1, 2020 had this amendatory Act of the 101st General Assembly  
11 been in effect, may apply for and obtain an exemption for  
12 subsequent purchases of computer equipment or enabling  
13 software purchased or leased to upgrade, supplement, or  
14 replace computer equipment or enabling software purchased or  
15 leased in the original investment that would have qualified.

16 The Department of Commerce and Economic Opportunity shall  
17 grant a certificate of exemption under this item (32) to  
18 qualified data centers as defined by Section 605-1025 of the  
19 Department of Commerce and Economic Opportunity Law of the  
20 Civil Administrative Code of Illinois.

21 For the purposes of this item (32):

22 "Data center" means a building or a series of  
23 buildings rehabilitated or constructed to house working  
24 servers in one physical location or multiple sites within  
25 the State of Illinois.

26 "Qualified tangible personal property" means:



1 electrical systems and equipment; climate control and  
2 chilling equipment and systems; mechanical systems and  
3 equipment; monitoring and secure systems; emergency  
4 generators; hardware; computers; servers; data storage  
5 devices; network connectivity equipment; racks; cabinets;  
6 telecommunications cabling infrastructure; raised floor  
7 systems; peripheral components or systems; software;  
8 mechanical, electrical, or plumbing systems; battery  
9 systems; cooling systems and towers; temperature control  
10 systems; other cabling; and other data center  
11 infrastructure equipment and systems necessary to operate  
12 qualified tangible personal property, including fixtures;  
13 and component parts of any of the foregoing, including  
14 installation, maintenance, repair, refurbishment, and  
15 replacement of qualified tangible personal property to  
16 generate, transform, transmit, distribute, or manage  
17 electricity necessary to operate qualified tangible  
18 personal property; and all other tangible personal  
19 property that is essential to the operations of a computer  
20 data center. The term "qualified tangible personal  
21 property" also includes building materials physically  
22 incorporated in to the qualifying data center. To document  
23 the exemption allowed under this Section, the retailer  
24 must obtain from the purchaser a copy of the certificate  
25 of eligibility issued by the Department of Commerce and  
26 Economic Opportunity.

1           This item (32) is exempt from the provisions of Section  
2 3-55.

3           (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
4 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

5           Section 75-20. The Retailers' Occupation Tax Act is  
6 amended by changing Section 2-5 as follows:

7           (35 ILCS 120/2-5)

8           Sec. 2-5. Exemptions. Gross receipts from proceeds from  
9 the sale of the following tangible personal property are  
10 exempt from the tax imposed by this Act:

11           (1) Farm chemicals.

12           (2) Farm machinery and equipment, both new and used,  
13 including that manufactured on special order, certified by  
14 the purchaser to be used primarily for production  
15 agriculture or State or federal agricultural programs,  
16 including individual replacement parts for the machinery  
17 and equipment, including machinery and equipment purchased  
18 for lease, and including implements of husbandry defined  
19 in Section 1-130 of the Illinois Vehicle Code, farm  
20 machinery and agricultural chemical and fertilizer  
21 spreaders, and nurse wagons required to be registered  
22 under Section 3-809 of the Illinois Vehicle Code, but  
23 excluding other motor vehicles required to be registered  
24 under the Illinois Vehicle Code. Horticultural polyhouses

1 or hoop houses used for propagating, growing, or  
2 overwintering plants shall be considered farm machinery  
3 and equipment under this item (2). Agricultural chemical  
4 tender tanks and dry boxes shall include units sold  
5 separately from a motor vehicle required to be licensed  
6 and units sold mounted on a motor vehicle required to be  
7 licensed, if the selling price of the tender is separately  
8 stated.

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

17 Farm machinery and equipment also includes computers,  
18 sensors, software, and related equipment used primarily in  
19 the computer-assisted operation of production agriculture  
20 facilities, equipment, and activities such as, but not  
21 limited to, the collection, monitoring, and correlation of  
22 animal and crop data for the purpose of formulating animal  
23 diets and agricultural chemicals. This item (2) is exempt  
24 from the provisions of Section 2-70.

25 (3) Until July 1, 2003, distillation machinery and  
26 equipment, sold as a unit or kit, assembled or installed

1 by the retailer, certified by the user to be used only for  
2 the production of ethyl alcohol that will be used for  
3 consumption as motor fuel or as a component of motor fuel  
4 for the personal use of the user, and not subject to sale  
5 or resale.

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

19 (5) A motor vehicle that is used for automobile  
20 renting, as defined in the Automobile Renting Occupation  
21 and Use Tax Act. This paragraph is exempt from the  
22 provisions of Section 2-70.

23 (6) Personal property sold by a teacher-sponsored  
24 student organization affiliated with an elementary or  
25 secondary school located in Illinois.

26 (7) Until July 1, 2003, proceeds of that portion of

1 the selling price of a passenger car the sale of which is  
2 subject to the Replacement Vehicle Tax.

3 (8) Personal property sold to an Illinois county fair  
4 association for use in conducting, operating, or promoting  
5 the county fair.

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

21 (10) Personal property sold by a corporation, society,  
22 association, foundation, institution, or organization,  
23 other than a limited liability company, that is organized  
24 and operated as a not-for-profit service enterprise for  
25 the benefit of persons 65 years of age or older if the  
26 personal property was not purchased by the enterprise for

1 the purpose of resale by the enterprise.

2 (11) Personal property sold to a governmental body, to  
3 a corporation, society, association, foundation, or  
4 institution organized and operated exclusively for  
5 charitable, religious, or educational purposes, or to a  
6 not-for-profit corporation, society, association,  
7 foundation, institution, or organization that has no  
8 compensated officers or employees and that is organized  
9 and operated primarily for the recreation of persons 55  
10 years of age or older. A limited liability company may  
11 qualify for the exemption under this paragraph only if the  
12 limited liability company is organized and operated  
13 exclusively for educational purposes. On and after July 1,  
14 1987, however, no entity otherwise eligible for this  
15 exemption shall make tax-free purchases unless it has an  
16 active identification number issued by the Department.

17 (12) (Blank).

18 (12-5) On and after July 1, 2003 and through June 30,  
19 2004, motor vehicles of the second division with a gross  
20 vehicle weight in excess of 8,000 pounds that are subject  
21 to the commercial distribution fee imposed under Section  
22 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
23 2004 and through June 30, 2005, the use in this State of  
24 motor vehicles of the second division: (i) with a gross  
25 vehicle weight rating in excess of 8,000 pounds; (ii) that  
26 are subject to the commercial distribution fee imposed

1 under Section 3-815.1 of the Illinois Vehicle Code; and  
2 (iii) that are primarily used for commercial purposes.  
3 Through June 30, 2005, this exemption applies to repair  
4 and replacement parts added after the initial purchase of  
5 such a motor vehicle if that motor vehicle is used in a  
6 manner that would qualify for the rolling stock exemption  
7 otherwise provided for in this Act. For purposes of this  
8 paragraph, "used for commercial purposes" means the  
9 transportation of persons or property in furtherance of  
10 any commercial or industrial enterprise whether for-hire  
11 or not.

12 (13) Proceeds from sales to owners, lessors, or  
13 shippers of tangible personal property that is utilized by  
14 interstate carriers for hire for use as rolling stock  
15 moving in interstate commerce and equipment operated by a  
16 telecommunications provider, licensed as a common carrier  
17 by the Federal Communications Commission, which is  
18 permanently installed in or affixed to aircraft moving in  
19 interstate commerce.

20 (14) Machinery and equipment that will be used by the  
21 purchaser, or a lessee of the purchaser, primarily in the  
22 process of manufacturing or assembling tangible personal  
23 property for wholesale or retail sale or lease, whether  
24 the sale or lease is made directly by the manufacturer or  
25 by some other person, whether the materials used in the  
26 process are owned by the manufacturer or some other

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

20 (15) Proceeds of mandatory service charges separately  
21 stated on customers' bills for purchase and consumption of  
22 food and beverages, to the extent that the proceeds of the  
23 service charge are in fact turned over as tips or as a  
24 substitute for tips to the employees who participate  
25 directly in preparing, serving, hosting or cleaning up the  
26 food or beverage function with respect to which the



1 service charge is imposed.

2 (16) Tangible personal property sold to a purchaser if  
3 the purchaser is exempt from use tax by operation of  
4 federal law. This paragraph is exempt from the provisions  
5 of Section 2-70.

6 (17) Tangible personal property sold to a common  
7 carrier by rail or motor that receives the physical  
8 possession of the property in Illinois and that transports  
9 the property, or shares with another common carrier in the  
10 transportation of the property, out of Illinois on a  
11 standard uniform bill of lading showing the seller of the  
12 property as the shipper or consignor of the property to a  
13 destination outside Illinois, for use outside Illinois.

14 (18) Legal tender, currency, medallions, or gold or  
15 silver coinage issued by the State of Illinois, the  
16 government of the United States of America, or the  
17 government of any foreign country, and bullion.

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

1 to be registered under the Illinois Vehicle Code.

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

8 (21) Until July 1, 2028 ~~July 1, 2023~~, coal and  
9 aggregate exploration, mining, off-highway hauling,  
10 processing, maintenance, and reclamation equipment,  
11 including replacement parts and equipment, and including  
12 equipment purchased for lease, but excluding motor  
13 vehicles required to be registered under the Illinois  
14 Vehicle Code. The changes made to this Section by Public  
15 Act 97-767 apply on and after July 1, 2003, but no claim  
16 for credit or refund is allowed on or after August 16, 2013  
17 (the effective date of Public Act 98-456) for such taxes  
18 paid during the period beginning July 1, 2003 and ending  
19 on August 16, 2013 (the effective date of Public Act  
20 98-456).

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

1 previous or subsequent domestic stopovers.

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

12 (23) A transaction in which the purchase order is  
13 received by a florist who is located outside Illinois, but  
14 who has a florist located in Illinois deliver the property  
15 to the purchaser or the purchaser's donee in Illinois.

16 (24) Fuel consumed or used in the operation of ships,  
17 barges, or vessels that are used primarily in or for the  
18 transportation of property or the conveyance of persons  
19 for hire on rivers bordering on this State if the fuel is  
20 delivered by the seller to the purchaser's barge, ship, or  
21 vessel while it is afloat upon that bordering river.

22 (25) Except as provided in item (25-5) of this  
23 Section, a motor vehicle sold in this State to a  
24 nonresident even though the motor vehicle is delivered to  
25 the nonresident in this State, if the motor vehicle is not  
26 to be titled in this State, and if a drive-away permit is

1 issued to the motor vehicle as provided in Section 3-603  
2 of the Illinois Vehicle Code or if the nonresident  
3 purchaser has vehicle registration plates to transfer to  
4 the motor vehicle upon returning to his or her home state.  
5 The issuance of the drive-away permit or having the  
6 out-of-state registration plates to be transferred is  
7 prima facie evidence that the motor vehicle will not be  
8 titled in this State.

9 (25-5) The exemption under item (25) does not apply if  
10 the state in which the motor vehicle will be titled does  
11 not allow a reciprocal exemption for a motor vehicle sold  
12 and delivered in that state to an Illinois resident but  
13 titled in Illinois. The tax collected under this Act on  
14 the sale of a motor vehicle in this State to a resident of  
15 another state that does not allow a reciprocal exemption  
16 shall be imposed at a rate equal to the state's rate of tax  
17 on taxable property in the state in which the purchaser is  
18 a resident, except that the tax shall not exceed the tax  
19 that would otherwise be imposed under this Act. At the  
20 time of the sale, the purchaser shall execute a statement,  
21 signed under penalty of perjury, of his or her intent to  
22 title the vehicle in the state in which the purchaser is a  
23 resident within 30 days after the sale and of the fact of  
24 the payment to the State of Illinois of tax in an amount  
25 equivalent to the state's rate of tax on taxable property  
26 in his or her state of residence and shall submit the

1 statement to the appropriate tax collection agency in his  
2 or her state of residence. In addition, the retailer must  
3 retain a signed copy of the statement in his or her  
4 records. Nothing in this item shall be construed to  
5 require the removal of the vehicle from this state  
6 following the filing of an intent to title the vehicle in  
7 the purchaser's state of residence if the purchaser titles  
8 the vehicle in his or her state of residence within 30 days  
9 after the date of sale. The tax collected under this Act in  
10 accordance with this item (25-5) shall be proportionately  
11 distributed as if the tax were collected at the 6.25%  
12 general rate imposed under this Act.

13 (25-7) Beginning on July 1, 2007, no tax is imposed  
14 under this Act on the sale of an aircraft, as defined in  
15 Section 3 of the Illinois Aeronautics Act, if all of the  
16 following conditions are met:

17 (1) the aircraft leaves this State within 15 days  
18 after the later of either the issuance of the final  
19 billing for the sale of the aircraft, or the  
20 authorized approval for return to service, completion  
21 of the maintenance record entry, and completion of the  
22 test flight and ground test for inspection, as  
23 required by 14 C.F.R. 91.407;

24 (2) the aircraft is not based or registered in  
25 this State after the sale of the aircraft; and

26 (3) the seller retains in his or her books and

1 records and provides to the Department a signed and  
2 dated certification from the purchaser, on a form  
3 prescribed by the Department, certifying that the  
4 requirements of this item (25-7) are met. The  
5 certificate must also include the name and address of  
6 the purchaser, the address of the location where the  
7 aircraft is to be titled or registered, the address of  
8 the primary physical location of the aircraft, and  
9 other information that the Department may reasonably  
10 require.

11 For purposes of this item (25-7):

12 "Based in this State" means hangared, stored, or  
13 otherwise used, excluding post-sale customizations as  
14 defined in this Section, for 10 or more days in each  
15 12-month period immediately following the date of the sale  
16 of the aircraft.

17 "Registered in this State" means an aircraft  
18 registered with the Department of Transportation,  
19 Aeronautics Division, or titled or registered with the  
20 Federal Aviation Administration to an address located in  
21 this State.

22 This paragraph (25-7) is exempt from the provisions of  
23 Section 2-70.

24 (26) Semen used for artificial insemination of  
25 livestock for direct agricultural production.

26 (27) Horses, or interests in horses, registered with

1 and meeting the requirements of any of the Arabian Horse  
2 Club Registry of America, Appaloosa Horse Club, American  
3 Quarter Horse Association, United States Trotting  
4 Association, or Jockey Club, as appropriate, used for  
5 purposes of breeding or racing for prizes. This item (27)  
6 is exempt from the provisions of Section 2-70, and the  
7 exemption provided for under this item (27) applies for  
8 all periods beginning May 30, 1995, but no claim for  
9 credit or refund is allowed on or after January 1, 2008  
10 (the effective date of Public Act 95-88) for such taxes  
11 paid during the period beginning May 30, 2000 and ending  
12 on January 1, 2008 (the effective date of Public Act  
13 95-88).

14 (28) Computers and communications equipment utilized  
15 for any hospital purpose and equipment used in the  
16 diagnosis, analysis, or treatment of hospital patients  
17 sold to a lessor who leases the equipment, under a lease of  
18 one year or longer executed or in effect at the time of the  
19 purchase, to a hospital that has been issued an active tax  
20 exemption identification number by the Department under  
21 Section 1g of this Act.

22 (29) Personal property sold to a lessor who leases the  
23 property, under a lease of one year or longer executed or  
24 in effect at the time of the purchase, to a governmental  
25 body that has been issued an active tax exemption  
26 identification number by the Department under Section 1g

1 of this Act.

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

13 (31) Beginning with taxable years ending on or after  
14 December 31, 1995 and ending with taxable years ending on  
15 or before December 31, 2004, personal property that is  
16 used in the performance of infrastructure repairs in this  
17 State, including but not limited to municipal roads and  
18 streets, access roads, bridges, sidewalks, waste disposal  
19 systems, water and sewer line extensions, water  
20 distribution and purification facilities, storm water  
21 drainage and retention facilities, and sewage treatment  
22 facilities, resulting from a State or federally declared  
23 disaster in Illinois or bordering Illinois when such  
24 repairs are initiated on facilities located in the  
25 declared disaster area within 6 months after the disaster.

26 (32) Beginning July 1, 1999, game or game birds sold



1 at a "game breeding and hunting preserve area" as that  
2 term is used in the Wildlife Code. This paragraph is  
3 exempt from the provisions of Section 2-70.

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

24 (34) Beginning January 1, 2000, personal property,  
25 including food, purchased through fundraising events for  
26 the benefit of a public or private elementary or secondary

1 school, a group of those schools, or one or more school  
2 districts if the events are sponsored by an entity  
3 recognized by the school district that consists primarily  
4 of volunteers and includes parents and teachers of the  
5 school children. This paragraph does not apply to  
6 fundraising events (i) for the benefit of private home  
7 instruction or (ii) for which the fundraising entity  
8 purchases the personal property sold at the events from  
9 another individual or entity that sold the property for  
10 the purpose of resale by the fundraising entity and that  
11 profits from the sale to the fundraising entity. This  
12 paragraph is exempt from the provisions of Section 2-70.

13 (35) Beginning January 1, 2000 and through December  
14 31, 2001, new or used automatic vending machines that  
15 prepare and serve hot food and beverages, including  
16 coffee, soup, and other items, and replacement parts for  
17 these machines. Beginning January 1, 2002 and through June  
18 30, 2003, machines and parts for machines used in  
19 commercial, coin-operated amusement and vending business  
20 if a use or occupation tax is paid on the gross receipts  
21 derived from the use of the commercial, coin-operated  
22 amusement and vending machines. This paragraph is exempt  
23 from the provisions of Section 2-70.

24 (35-5) Beginning August 23, 2001 and through June 30,  
25 2016, food for human consumption that is to be consumed  
26 off the premises where it is sold (other than alcoholic

1 beverages, soft drinks, and food that has been prepared  
2 for immediate consumption) and prescription and  
3 nonprescription medicines, drugs, medical appliances, and  
4 insulin, urine testing materials, syringes, and needles  
5 used by diabetics, for human use, when purchased for use  
6 by a person receiving medical assistance under Article V  
7 of the Illinois Public Aid Code who resides in a licensed  
8 long-term care facility, as defined in the Nursing Home  
9 Care Act, or a licensed facility as defined in the ID/DD  
10 Community Care Act, the MC/DD Act, or the Specialized  
11 Mental Health Rehabilitation Act of 2013.

12 (36) Beginning August 2, 2001, computers and  
13 communications equipment utilized for any hospital purpose  
14 and equipment used in the diagnosis, analysis, or  
15 treatment of hospital patients sold to a lessor who leases  
16 the equipment, under a lease of one year or longer  
17 executed or in effect at the time of the purchase, to a  
18 hospital that has been issued an active tax exemption  
19 identification number by the Department under Section 1g  
20 of this Act. This paragraph is exempt from the provisions  
21 of Section 2-70.

22 (37) Beginning August 2, 2001, personal property sold  
23 to a lessor who leases the property, under a lease of one  
24 year or longer executed or in effect at the time of the  
25 purchase, to a governmental body that has been issued an  
26 active tax exemption identification number by the

1 Department under Section 1g of this Act. This paragraph is  
2 exempt from the provisions of Section 2-70.

3 (38) Beginning on January 1, 2002 and through June 30,  
4 2016, tangible personal property purchased from an  
5 Illinois retailer by a taxpayer engaged in centralized  
6 purchasing activities in Illinois who will, upon receipt  
7 of the property in Illinois, temporarily store the  
8 property in Illinois (i) for the purpose of subsequently  
9 transporting it outside this State for use or consumption  
10 thereafter solely outside this State or (ii) for the  
11 purpose of being processed, fabricated, or manufactured  
12 into, attached to, or incorporated into other tangible  
13 personal property to be transported outside this State and  
14 thereafter used or consumed solely outside this State. The  
15 Director of Revenue shall, pursuant to rules adopted in  
16 accordance with the Illinois Administrative Procedure Act,  
17 issue a permit to any taxpayer in good standing with the  
18 Department who is eligible for the exemption under this  
19 paragraph (38). The permit issued under this paragraph  
20 (38) shall authorize the holder, to the extent and in the  
21 manner specified in the rules adopted under this Act, to  
22 purchase tangible personal property from a retailer exempt  
23 from the taxes imposed by this Act. Taxpayers shall  
24 maintain all necessary books and records to substantiate  
25 the use and consumption of all such tangible personal  
26 property outside of the State of Illinois.

1           (39) Beginning January 1, 2008, tangible personal  
2 property used in the construction or maintenance of a  
3 community water supply, as defined under Section 3.145 of  
4 the Environmental Protection Act, that is operated by a  
5 not-for-profit corporation that holds a valid water supply  
6 permit issued under Title IV of the Environmental  
7 Protection Act. This paragraph is exempt from the  
8 provisions of Section 2-70.

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

1 maintain an aircraft and who (i) hold an Air Agency  
2 Certificate and are empowered to operate an approved  
3 repair station by the Federal Aviation Administration,  
4 (ii) have a Class IV Rating, and (iii) conduct operations  
5 in accordance with Part 145 of the Federal Aviation  
6 Regulations. The exemption does not include aircraft  
7 operated by a commercial air carrier providing scheduled  
8 passenger air service pursuant to authority issued under  
9 Part 121 or Part 129 of the Federal Aviation Regulations.  
10 The changes made to this paragraph (40) by Public Act  
11 98-534 are declarative of existing law. It is the intent  
12 of the General Assembly that the exemption under this  
13 paragraph (40) applies continuously from January 1, 2010  
14 through December 31, 2024; however, no claim for credit or  
15 refund is allowed for taxes paid as a result of the  
16 disallowance of this exemption on or after January 1, 2015  
17 and prior to the effective date of this amendatory Act of  
18 the 101st General Assembly.

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

1 hall or upon the retirement or redemption of any bonds or  
2 other debt instruments issued by the public-facilities  
3 corporation in connection with the development of the  
4 municipal convention hall. This exemption includes  
5 existing public-facilities corporations as provided in  
6 Section 11-65-25 of the Illinois Municipal Code. This  
7 paragraph is exempt from the provisions of Section 2-70.

8 (42) Beginning January 1, 2017 and through December  
9 31, 2026, menstrual pads, tampons, and menstrual cups.

10 (43) Merchandise that is subject to the Rental  
11 Purchase Agreement Occupation and Use Tax. The purchaser  
12 must certify that the item is purchased to be rented  
13 subject to a rental purchase agreement, as defined in the  
14 Rental Purchase Agreement Act, and provide proof of  
15 registration under the Rental Purchase Agreement  
16 Occupation and Use Tax Act. This paragraph is exempt from  
17 the provisions of Section 2-70.

18 (44) Qualified tangible personal property used in the  
19 construction or operation of a data center that has been  
20 granted a certificate of exemption by the Department of  
21 Commerce and Economic Opportunity, whether that tangible  
22 personal property is purchased by the owner, operator, or  
23 tenant of the data center or by a contractor or  
24 subcontractor of the owner, operator, or tenant. Data  
25 centers that would have qualified for a certificate of  
26 exemption prior to January 1, 2020 had this amendatory Act

1 of the 101st General Assembly been in effect, may apply  
2 for and obtain an exemption for subsequent purchases of  
3 computer equipment or enabling software purchased or  
4 leased to upgrade, supplement, or replace computer  
5 equipment or enabling software purchased or leased in the  
6 original investment that would have qualified.

7 The Department of Commerce and Economic Opportunity  
8 shall grant a certificate of exemption under this item  
9 (44) to qualified data centers as defined by Section  
10 605-1025 of the Department of Commerce and Economic  
11 Opportunity Law of the Civil Administrative Code of  
12 Illinois.

13 For the purposes of this item (44):

14 "Data center" means a building or a series of  
15 buildings rehabilitated or constructed to house  
16 working servers in one physical location or multiple  
17 sites within the State of Illinois.

18 "Qualified tangible personal property" means:  
19 electrical systems and equipment; climate control and  
20 chilling equipment and systems; mechanical systems and  
21 equipment; monitoring and secure systems; emergency  
22 generators; hardware; computers; servers; data storage  
23 devices; network connectivity equipment; racks;  
24 cabinets; telecommunications cabling infrastructure;  
25 raised floor systems; peripheral components or  
26 systems; software; mechanical, electrical, or plumbing



1 systems; battery systems; cooling systems and towers;  
2 temperature control systems; other cabling; and other  
3 data center infrastructure equipment and systems  
4 necessary to operate qualified tangible personal  
5 property, including fixtures; and component parts of  
6 any of the foregoing, including installation,  
7 maintenance, repair, refurbishment, and replacement of  
8 qualified tangible personal property to generate,  
9 transform, transmit, distribute, or manage electricity  
10 necessary to operate qualified tangible personal  
11 property; and all other tangible personal property  
12 that is essential to the operations of a computer data  
13 center. The term "qualified tangible personal  
14 property" also includes building materials physically  
15 incorporated into ~~in to~~ the qualifying data center. To  
16 document the exemption allowed under this Section, the  
17 retailer must obtain from the purchaser a copy of the  
18 certificate of eligibility issued by the Department of  
19 Commerce and Economic Opportunity.

20 This item (44) is exempt from the provisions of  
21 Section 2-70.

22 (45) Beginning January 1, 2020 and through December  
23 31, 2020, sales of tangible personal property made by a  
24 marketplace seller over a marketplace for which tax is due  
25 under this Act but for which use tax has been collected and  
26 remitted to the Department by a marketplace facilitator

1 under Section 2d of the Use Tax Act are exempt from tax  
2 under this Act. A marketplace seller claiming this  
3 exemption shall maintain books and records demonstrating  
4 that the use tax on such sales has been collected and  
5 remitted by a marketplace facilitator. Marketplace sellers  
6 that have properly remitted tax under this Act on such  
7 sales may file a claim for credit as provided in Section 6  
8 of this Act. No claim is allowed, however, for such taxes  
9 for which a credit or refund has been issued to the  
10 marketplace facilitator under the Use Tax Act, or for  
11 which the marketplace facilitator has filed a claim for  
12 credit or refund under the Use Tax Act.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
14 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
15 8-27-21; revised 11-9-21.)

16 ARTICLE 80. STATE FINANCE ACT

17 Section 80-5. The State Finance Act is amended by changing  
18 Section 8g-1 as follows:

19 (30 ILCS 105/8g-1)

20 Sec. 8g-1. Fund transfers.

21 (a) (Blank).

22 (b) (Blank).

23 (c) (Blank).

- 1 (d) (Blank).
- 2 (e) (Blank).
- 3 (f) (Blank).
- 4 (g) (Blank).
- 5 (h) (Blank).
- 6 (i) (Blank).
- 7 (j) (Blank).
- 8 (k) (Blank).
- 9 (l) (Blank).
- 10 (m) (Blank).
- 11 (n) (Blank).
- 12 (o) (Blank).
- 13 (p) (Blank).
- 14 (q) (Blank).
- 15 (r) (Blank).
- 16 (s) (Blank).
- 17 (t) (Blank).

18 (u) In addition to any other transfers that may be  
19 provided for by law, on July 1, 2021, or as soon thereafter as  
20 practical, only as directed by the Director of the Governor's  
21 Office of Management and Budget, the State Comptroller shall  
22 direct and the State Treasurer shall transfer the sum of  
23 \$5,000,000 from the General Revenue Fund to the DoIT Special  
24 Projects Fund, and on June 1, 2022, or as soon thereafter as  
25 practical, but no later than June 30, 2022, the State  
26 Comptroller shall direct and the State Treasurer shall

1 transfer the sum so transferred from the DoIT Special Projects  
2 Fund to the General Revenue Fund.

3 (v) In addition to any other transfers that may be  
4 provided for by law, on July 1, 2021, or as soon thereafter as  
5 practical, the State Comptroller shall direct and the State  
6 Treasurer shall transfer the sum of \$500,000 from the General  
7 Revenue Fund to the Governor's Administrative Fund.

8 (w) In addition to any other transfers that may be  
9 provided for by law, on July 1, 2021, or as soon thereafter as  
10 practical, the State Comptroller shall direct and the State  
11 Treasurer shall transfer the sum of \$500,000 from the General  
12 Revenue Fund to the Grant Accountability and Transparency  
13 Fund.

14 (x) In addition to any other transfers that may be  
15 provided for by law, at a time or times during Fiscal Year 2022  
16 as directed by the Governor, the State Comptroller shall  
17 direct and the State Treasurer shall transfer up to a total of  
18 \$20,000,000 from the General Revenue Fund to the Illinois  
19 Sports Facilities Fund to be credited to the Advance Account  
20 within the Fund.

21 (y) In addition to any other transfers that may be  
22 provided for by law, on June 15, 2021, or as soon thereafter as  
23 practical, but no later than June 30, 2021, the State  
24 Comptroller shall direct and the State Treasurer shall  
25 transfer the sum of \$100,000,000 from the General Revenue Fund  
26 to the Technology Management Revolving Fund.

1       (z) In addition to any other transfers that may be  
2 provided for by law, on the effective date of this amendatory  
3 Act of the 102nd General Assembly, or as soon thereafter as  
4 practical, but no later than June 30, 2022, the State  
5 Comptroller shall direct and the State Treasurer shall  
6 transfer the sum of \$720,000,000 from the General Revenue Fund  
7 to the Budget Stabilization Fund.

8       (aa) In addition to any other transfers that may be  
9 provided for by law, on July 1, 2022, or as soon thereafter as  
10 practical, the State Comptroller shall direct and the State  
11 Treasurer shall transfer the sum of \$280,000,000 from the  
12 General Revenue Fund to the Budget Stabilization Fund.

13       (bb) In addition to any other transfers that may be  
14 provided for by law, on July 1, 2022, or as soon thereafter as  
15 practical, the State Comptroller shall direct and the State  
16 Treasurer shall transfer the sum of \$200,000,000 from the  
17 General Revenue Fund to the Pension Stabilization Fund.

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

20                   ARTICLE 85. INCOME TAX-INSTRUCTIONAL MATERIALS

21           Section 85-5. The Illinois Income Tax Act is amended by  
22 changing Section 225 as follows:

23                   (35 ILCS 5/225)

1           Sec. 225. Credit for instructional materials and supplies.  
2           For taxable years beginning on and after January 1, 2017, a  
3           taxpayer shall be allowed a credit in the amount paid by the  
4           taxpayer during the taxable year for instructional materials  
5           and supplies with respect to classroom based instruction in a  
6           qualified school, or the maximum credit amount \$250, whichever  
7           is less, provided that the taxpayer is a teacher, instructor,  
8           counselor, principal, or aide in a qualified school for at  
9           least 900 hours during a school year.

10           The credit may not be carried back and may not reduce the  
11           taxpayer's liability to less than zero. If the amount of the  
12           credit exceeds the tax liability for the year, the excess may  
13           be carried forward and applied to the tax liability of the 5  
14           taxable years following the excess credit year. The tax credit  
15           shall be applied to the earliest year for which there is a tax  
16           liability. If there are credits for more than one year that are  
17           available to offset a liability, the earlier credit shall be  
18           applied first.

19           For purposes of this Section, the term "materials and  
20           supplies" means amounts paid for instructional materials or  
21           supplies that are designated for classroom use in any  
22           qualified school. For purposes of this Section, the term  
23           "qualified school" means a public school or non-public school  
24           located in Illinois.

25           For purposes of this Section, the term "maximum credit  
26           amount" means (i) \$250 for taxable years beginning prior to

1 January 1, 2023 and (ii) \$500 for taxable years beginning on or  
2 after January 1, 2023.

3 This Section is exempt from the provisions of Section 250.  
4 (Source: P.A. 100-22, eff. 7-6-17.)

5 ARTICLE 95. AGRITOURISM

6 Section 95-3. The Illinois Administrative Procedure Act is  
7 amended by adding Section 5-45.22 as follows:

8 (5 ILCS 100/5-45.22 new)

9 Sec. 5-45.22. Emergency rulemaking. To provide for the  
10 expeditious and timely implementation of Article 95 of this  
11 amendatory Act of the 102nd General Assembly, emergency rules  
12 implementing Article 95 of this amendatory Act of the 102nd  
13 General Assembly may be adopted in accordance with Section  
14 5-45 by the Department of Agriculture. The adoption of  
15 emergency rules authorized by Section 5-45 and this Section is  
16 deemed to be necessary for the public interest, safety, and  
17 welfare.

18 This Section is repealed one year after the effective date  
19 of this amendatory Act of the 102nd General Assembly.

20 Section 95-5. The Illinois Income Tax Act is amended by  
21 adding Section 232 as follows:

1 (35 ILCS 5/232 new)

2 Sec. 232. Tax credit for agritourism liability insurance.

3 (a) For taxable years beginning on or after January 1,  
4 2022 and ending on or before December 31, 2023, any individual  
5 or entity that operates an agritourism operation in the State  
6 during the taxable year shall be entitled to a tax credit  
7 against the tax imposed by subsections (a) and (b) of Section  
8 201 equal to the lesser of 100% of the liability insurance  
9 premiums paid by that individual or entity during the taxable  
10 year or \$1,000. To claim the credit, the taxpayer must apply to  
11 the Department of Agriculture for a certificate of credit in  
12 the form and manner required by the Department of Agriculture  
13 by rule. If granted, the taxpayer shall attach a copy of the  
14 certificate of credit to his or her Illinois income tax return  
15 for the taxable year. The total amount of credits that may be  
16 awarded by the Department of Agriculture may not exceed  
17 \$1,000,000 in any calendar year.

18 (b) For the purposes of this Section:

19 "Agricultural property" means property that is used in  
20 whole or in part for production agriculture, as defined in  
21 Section 3-35 of the Use Tax Act, or used in connection with one  
22 or more of the following:

23 (1) the growing and harvesting of crops;

24 (2) the feeding, breeding, and management of  
25 livestock;

26 (3) dairying or any other agricultural or



1 horticultural use or combination of those uses, including,  
2 but not limited to, the harvesting of hay, grain, fruit,  
3 or truck or vegetable crops, or floriculture, mushroom  
4 growing, plant or tree nurseries, orchards, forestry, sod  
5 farming, or greenhouses; or

6 (4) the keeping, raising, and feeding of livestock or  
7 poultry, including dairying, poultry, swine, sheep, beef  
8 cattle, ponies or horses, fur farming, bees, fish and  
9 wildlife farming.

10 "Agritourism activities" includes, but is not limited to,  
11 the following:

12 (1) historic, cultural, and on-site educational  
13 programs;

14 (2) guided and self-guided tours, including school  
15 tours;

16 (3) animal exhibitions or petting zoos;

17 (4) agricultural crop mazes, such as corn or flower  
18 mazes;

19 (5) harvest-your-own or U-pick operations;

20 (6) horseback or pony rides; and

21 (7) hayrides or sleigh rides.

22 "Agritourism activities" does not include the following  
23 activities:

24 (1) hunting;

25 (2) fishing;

26 (3) amusement rides;

- 1           (4) rodeos;  
2           (5) off-road biking or motorized off-highway or  
3           all-terrain vehicle activities;  
4           (6) boating, swimming, canoeing, hiking, camping,  
5           skiing, bounce houses, or similar activities; or  
6           (7) entertainment venues such as weddings or concerts.

7           "Agritourism operation" means an individual or entity that  
8           carries out agricultural activities on agricultural property  
9           and allows members of the general public, for recreational,  
10           entertainment, or educational purposes, to view or enjoy those  
11           activities.

12           (c) If the taxpayer is a partnership or Subchapter S  
13           corporation, the credit shall be allowed to the partners or  
14           shareholders in accordance with the determination of income  
15           and distributive share of income under Sections 702 and 704  
16           and Subchapter S of the Internal Revenue Code.

17           (d) In no event shall a credit under this Section reduce  
18           the taxpayer's liability to less than zero. If the amount of  
19           the credit exceeds the tax liability for the year, the excess  
20           may be carried forward and applied to the tax liability of the  
21           5 taxable years following the excess credit year. The tax  
22           credit shall be applied to the earliest year for which there is  
23           a tax liability. If there are credits for more than one year  
24           that are available to offset a liability, the earlier credit  
25           shall be applied first.

## 1 ARTICLE 100. PARKING EXCISE TAX

2 Section 100-5. The Parking Excise Tax Act is amended by  
3 changing Section 10-5 as follows:

4 (35 ILCS 525/10-5)

5 Sec. 10-5. Definitions. As used in this Act:

6 ~~"Booking intermediary" means any person or entity that~~  
7 ~~facilitates the processing and fulfillment of reservation~~  
8 ~~transactions between an operator and a person or entity~~  
9 ~~desiring parking in a parking lot or garage of that operator.~~

10 ~~"Charge or fee paid for parking" means the gross amount of~~  
11 ~~consideration for the use or privilege of parking a motor~~  
12 ~~vehicle in or upon any parking lot or garage in the State,~~  
13 ~~collected by an operator and valued in money, whether received~~  
14 ~~in money or otherwise, including cash, credits, property, and~~  
15 ~~services, determined without any deduction for costs or~~  
16 ~~expenses, but not including charges that are added to the~~  
17 ~~charge or fee on account of the tax imposed by this Act or on~~  
18 ~~account of any other tax imposed on the charge or fee. "Charge~~  
19 ~~or fee paid for parking" excludes separately stated charges~~  
20 ~~not for the use or privilege of parking and excludes amounts~~  
21 ~~retained by or paid to a booking intermediary for services~~  
22 ~~provided by the booking intermediary. If any separately stated~~  
23 ~~charge is not optional, it shall be presumed that it is part of~~  
24 ~~the charge for the use or privilege of parking.~~

1 "Department" means the Department of Revenue.

2 "Operator" means any person who engages in the business of  
3 operating a parking area or garage, or who, directly or  
4 through an agreement or arrangement with another party,  
5 collects the consideration for parking or storage of motor  
6 vehicles, recreational vehicles, or other self-propelled  
7 vehicles, at that parking place. This includes, but is not  
8 limited to, any facilitator or aggregator that collects the  
9 purchase price from the purchaser ~~the charge or fee paid for~~  
10 ~~parking~~. "Operator" does not include a bank, credit card  
11 company, payment processor, ~~booking intermediary~~, or person  
12 whose involvement is limited to performing functions that are  
13 similar to those performed by a bank, credit card company, or  
14 payment processor, ~~or booking intermediary~~.

15 "Parking area or garage" means any real estate, building,  
16 structure, premises, enclosure or other place, whether  
17 enclosed or not, except a public way, within the State, where  
18 motor vehicles, recreational vehicles, or other self-propelled  
19 vehicles, are stored, housed or parked for hire, charge, fee  
20 or other valuable consideration in a condition ready for use,  
21 or where rent or compensation is paid to the owner, manager,  
22 operator or lessee of the premises for the housing, storing,  
23 sheltering, keeping or maintaining motor vehicles,  
24 recreational vehicles, or other self-propelled vehicles.  
25 "Parking area or garage" includes any parking area or garage,  
26 whether the vehicle is parked by the owner of the vehicle or by

1 the operator or an attendant.

2 "Person" means any natural individual, firm, trust,  
3 estate, partnership, association, joint stock company, joint  
4 venture, corporation, limited liability company, or a  
5 receiver, trustee, guardian, or other representative appointed  
6 by order of any court.

7 "Purchase price" means the consideration paid for the  
8 purchase of a parking space in a parking area or garage, valued  
9 in money, whether received in money or otherwise, including  
10 cash, gift cards, credits, and property, and shall be  
11 determined without any deduction on account of the cost of  
12 materials used, labor or service costs, or any other expense  
13 whatsoever.

14 "Purchase price" includes any and all charges that the  
15 recipient pays related to or incidental to obtaining the use  
16 or privilege of using a parking space in a parking area or  
17 garage, including but not limited to any and all related  
18 markups, service fees, convenience fees, facilitation fees,  
19 cancellation fees, overtime fees, or other such charges,  
20 regardless of terminology. However, "purchase price" shall not  
21 include consideration paid for:

22 (1) optional, separately stated charges not for the  
23 use or privilege of using a parking space in the parking  
24 area or garage;

25 (2) any charge for a dishonored check;

26 (3) any finance or credit charge, penalty or charge

1 for delayed payment, or discount for prompt payment;

2 (4) any purchase by a purchaser if the operator is  
3 prohibited by federal or State Constitution, treaty,  
4 convention, statute or court decision from collecting the  
5 tax from such purchaser;

6 (5) the isolated or occasional sale of parking spaces  
7 subject to tax under this Act by a person who does not hold  
8 himself out as being engaged (or who does not habitually  
9 engage) in selling of parking spaces; and

10 (6) any amounts added to a purchaser's bills because  
11 of charges made pursuant to the tax imposed by this Act. If  
12 credit is extended, then the amount thereof shall be  
13 included only as and when payments are made.

14 "Purchaser" means any person who acquires a parking space  
15 in a parking area or garage for use for valuable  
16 consideration.

17 "Use" means the exercise by any person of any right or  
18 power over, or the enjoyment of, a parking space in a parking  
19 area or garage subject to tax under this Act.

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

21 ARTICLE 105. UNEMPLOYMENT BENEFITS

22 Section 105-5. The Unemployment Insurance Act is amended  
23 by changing Sections 401, 403, 703, 1505, 1506.6, and 2100 as  
24 follows:

1 (820 ILCS 405/401) (from Ch. 48, par. 401)

2 Sec. 401. Weekly Benefit Amount - Dependents' Allowances.

3 A. With respect to any week beginning in a benefit year  
4 beginning prior to January 4, 2004, an individual's weekly  
5 benefit amount shall be an amount equal to the weekly benefit  
6 amount as defined in the provisions of this Act as amended and  
7 in effect on November 18, 2011.

8 B. 1. With respect to any benefit year beginning on or  
9 after January 4, 2004 and before January 6, 2008, an  
10 individual's weekly benefit amount shall be 48% of his or her  
11 prior average weekly wage, rounded (if not already a multiple  
12 of one dollar) to the next higher dollar; provided, however,  
13 that the weekly benefit amount cannot exceed the maximum  
14 weekly benefit amount and cannot be less than \$51. Except as  
15 otherwise provided in this Section, with respect to any  
16 benefit year beginning on or after January 6, 2008, an  
17 individual's weekly benefit amount shall be 47% of his or her  
18 prior average weekly wage, rounded (if not already a multiple  
19 of one dollar) to the next higher dollar; provided, however,  
20 that the weekly benefit amount cannot exceed the maximum  
21 weekly benefit amount and cannot be less than \$51. With  
22 respect to any benefit year beginning on or after January 1,  
23 2023 and before January 1, 2024 ~~July 3, 2022~~, an individual's  
24 weekly benefit amount shall be 42.4% of his or her prior  
25 average weekly wage, rounded (if not already a multiple of one

1 dollar) to the next higher dollar; provided, however, that the  
2 weekly benefit amount cannot exceed the maximum weekly benefit  
3 amount and cannot be less than \$51.

4 2. For the purposes of this subsection:

5 An individual's "prior average weekly wage" means the  
6 total wages for insured work paid to that individual during  
7 the 2 calendar quarters of his base period in which such total  
8 wages were highest, divided by 26. If the quotient is not  
9 already a multiple of one dollar, it shall be rounded to the  
10 nearest dollar; however if the quotient is equally near 2  
11 multiples of one dollar, it shall be rounded to the higher  
12 multiple of one dollar.

13 "Determination date" means June 1 and December 1 of each  
14 calendar year except that, for the purposes of this Act only,  
15 there shall be no June 1 determination date in any year.

16 "Determination period" means, with respect to each June 1  
17 determination date, the 12 consecutive calendar months ending  
18 on the immediately preceding December 31 and, with respect to  
19 each December 1 determination date, the 12 consecutive  
20 calendar months ending on the immediately preceding June 30.

21 "Benefit period" means the 12 consecutive calendar month  
22 period beginning on the first day of the first calendar month  
23 immediately following a determination date, except that, with  
24 respect to any calendar year in which there is a June 1  
25 determination date, "benefit period" shall mean the 6  
26 consecutive calendar month period beginning on the first day



1 of the first calendar month immediately following the  
2 preceding December 1 determination date and the 6 consecutive  
3 calendar month period beginning on the first day of the first  
4 calendar month immediately following the June 1 determination  
5 date.

6 "Gross wages" means all the wages paid to individuals  
7 during the determination period immediately preceding a  
8 determination date for insured work, and reported to the  
9 Director by employers prior to the first day of the third  
10 calendar month preceding that date.

11 "Covered employment" for any calendar month means the  
12 total number of individuals, as determined by the Director,  
13 engaged in insured work at mid-month.

14 "Average monthly covered employment" means one-twelfth of  
15 the sum of the covered employment for the 12 months of a  
16 determination period.

17 "Statewide average annual wage" means the quotient,  
18 obtained by dividing gross wages by average monthly covered  
19 employment for the same determination period, rounded (if not  
20 already a multiple of one cent) to the nearest cent.

21 "Statewide average weekly wage" means the quotient,  
22 obtained by dividing the statewide average annual wage by 52,  
23 rounded (if not already a multiple of one cent) to the nearest  
24 cent. Notwithstanding any provision of this Section to the  
25 contrary, the statewide average weekly wage for any benefit  
26 period prior to calendar year 2012 shall be as determined by

1 the provisions of this Act as amended and in effect on November  
2 18, 2011. Notwithstanding any provisions of this Section to  
3 the contrary, the statewide average weekly wage for the  
4 benefit period of calendar year 2012 shall be \$856.55 and for  
5 each calendar year thereafter, the statewide average weekly  
6 wage shall be the statewide average weekly wage, as determined  
7 in accordance with this sentence, for the immediately  
8 preceding benefit period plus (or minus) an amount equal to  
9 the percentage change in the statewide average weekly wage, as  
10 computed in accordance with the first sentence of this  
11 paragraph, between the 2 immediately preceding benefit  
12 periods, multiplied by the statewide average weekly wage, as  
13 determined in accordance with this sentence, for the  
14 immediately preceding benefit period. However, for purposes of  
15 the Workers' Compensation Act, the statewide average weekly  
16 wage will be computed using June 1 and December 1  
17 determination dates of each calendar year and such  
18 determination shall not be subject to the limitation of the  
19 statewide average weekly wage as computed in accordance with  
20 the preceding sentence of this paragraph.

21 With respect to any week beginning in a benefit year  
22 beginning prior to January 4, 2004, "maximum weekly benefit  
23 amount" with respect to each week beginning within a benefit  
24 period shall be as defined in the provisions of this Act as  
25 amended and in effect on November 18, 2011.

26 With respect to any benefit year beginning on or after

1 January 4, 2004 and before January 6, 2008, "maximum weekly  
2 benefit amount" with respect to each week beginning within a  
3 benefit period means 48% of the statewide average weekly wage,  
4 rounded (if not already a multiple of one dollar) to the next  
5 higher dollar.

6 Except as otherwise provided in this Section, with respect  
7 to any benefit year beginning on or after January 6, 2008,  
8 "maximum weekly benefit amount" with respect to each week  
9 beginning within a benefit period means 47% of the statewide  
10 average weekly wage, rounded (if not already a multiple of one  
11 dollar) to the next higher dollar.

12 With respect to any benefit year beginning on or after  
13 January 1, 2023 and before January 1, 2024 ~~July 3, 2022,~~  
14 "maximum weekly benefit amount" with respect to each week  
15 beginning within a benefit period means 42.4% of the statewide  
16 average weekly wage, rounded (if not already a multiple of one  
17 dollar) to the next higher dollar.

18 C. With respect to any week beginning in a benefit year  
19 beginning prior to January 4, 2004, an individual's  
20 eligibility for a dependent allowance with respect to a  
21 nonworking spouse or one or more dependent children shall be  
22 as defined by the provisions of this Act as amended and in  
23 effect on November 18, 2011.

24 With respect to any benefit year beginning on or after  
25 January 4, 2004 and before January 6, 2008, an individual to  
26 whom benefits are payable with respect to any week shall, in

1 addition to those benefits, be paid, with respect to such  
2 week, as follows: in the case of an individual with a  
3 nonworking spouse, 9% of his or her prior average weekly wage,  
4 rounded (if not already a multiple of one dollar) to the next  
5 higher dollar, provided, that the total amount payable to the  
6 individual with respect to a week shall not exceed 57% of the  
7 statewide average weekly wage, rounded (if not already a  
8 multiple of one dollar) to the next higher dollar; and in the  
9 case of an individual with a dependent child or dependent  
10 children, 17.2% of his or her prior average weekly wage,  
11 rounded (if not already a multiple of one dollar) to the next  
12 higher dollar, provided that the total amount payable to the  
13 individual with respect to a week shall not exceed 65.2% of the  
14 statewide average weekly wage, rounded (if not already a  
15 multiple of one dollar) to the next higher dollar.

16 With respect to any benefit year beginning on or after  
17 January 6, 2008 and before January 1, 2010, an individual to  
18 whom benefits are payable with respect to any week shall, in  
19 addition to those benefits, be paid, with respect to such  
20 week, as follows: in the case of an individual with a  
21 nonworking spouse, 9% of his or her prior average weekly wage,  
22 rounded (if not already a multiple of one dollar) to the next  
23 higher dollar, provided, that the total amount payable to the  
24 individual with respect to a week shall not exceed 56% of the  
25 statewide average weekly wage, rounded (if not already a  
26 multiple of one dollar) to the next higher dollar; and in the

1 case of an individual with a dependent child or dependent  
2 children, 18.2% of his or her prior average weekly wage,  
3 rounded (if not already a multiple of one dollar) to the next  
4 higher dollar, provided that the total amount payable to the  
5 individual with respect to a week shall not exceed 65.2% of the  
6 statewide average weekly wage, rounded (if not already a  
7 multiple of one dollar) to the next higher dollar.

8 The additional amount paid pursuant to this subsection in  
9 the case of an individual with a dependent child or dependent  
10 children shall be referred to as the "dependent child  
11 allowance", and the percentage rate by which an individual's  
12 prior average weekly wage is multiplied pursuant to this  
13 subsection to calculate the dependent child allowance shall be  
14 referred to as the "dependent child allowance rate".

15 Except as otherwise provided in this Section, with respect  
16 to any benefit year beginning on or after January 1, 2010, an  
17 individual to whom benefits are payable with respect to any  
18 week shall, in addition to those benefits, be paid, with  
19 respect to such week, as follows: in the case of an individual  
20 with a nonworking spouse, the greater of (i) 9% of his or her  
21 prior average weekly wage, rounded (if not already a multiple  
22 of one dollar) to the next higher dollar, or (ii) \$15, provided  
23 that the total amount payable to the individual with respect  
24 to a week shall not exceed 56% of the statewide average weekly  
25 wage, rounded (if not already a multiple of one dollar) to the  
26 next higher dollar; and in the case of an individual with a

1 dependent child or dependent children, the greater of (i) the  
2 product of the dependent child allowance rate multiplied by  
3 his or her prior average weekly wage, rounded (if not already a  
4 multiple of one dollar) to the next higher dollar, or (ii) the  
5 lesser of \$50 or 50% of his or her weekly benefit amount,  
6 rounded (if not already a multiple of one dollar) to the next  
7 higher dollar, provided that the total amount payable to the  
8 individual with respect to a week shall not exceed the product  
9 of the statewide average weekly wage multiplied by the sum of  
10 47% plus the dependent child allowance rate, rounded (if not  
11 already a multiple of one dollar) to the next higher dollar.

12 With respect to any benefit year beginning on or after  
13 January 1, 2023 and before January 1, 2024 ~~July 3, 2022~~, an  
14 individual to whom benefits are payable with respect to any  
15 week shall, in addition to those benefits, be paid, with  
16 respect to such week, as follows: in the case of an individual  
17 with a nonworking spouse, the greater of (i) 9% of his or her  
18 prior average weekly wage, rounded (if not already a multiple  
19 of one dollar) to the next higher dollar, or (ii) \$15, provided  
20 that the total amount payable to the individual with respect  
21 to a week shall not exceed 51.4% of the statewide average  
22 weekly wage, rounded (if not already a multiple of one dollar)  
23 to the next higher dollar; and in the case of an individual  
24 with a dependent child or dependent children, the greater of  
25 (i) the product of the dependent child allowance rate  
26 multiplied by his or her prior average weekly wage, rounded

1 (if not already a multiple of one dollar) to the next higher  
2 dollar, or (ii) the lesser of \$50 or 50% of his or her weekly  
3 benefit amount, rounded (if not already a multiple of one  
4 dollar) to the next higher dollar, provided that the total  
5 amount payable to the individual with respect to a week shall  
6 not exceed the product of the statewide average weekly wage  
7 multiplied by the sum of 42.4% plus the dependent child  
8 allowance rate, rounded (if not already a multiple of one  
9 dollar) to the next higher dollar.

10 With respect to each benefit year beginning after calendar  
11 year 2012, the dependent child allowance rate shall be the sum  
12 of the allowance adjustment applicable pursuant to Section  
13 1400.1 to the calendar year in which the benefit year begins,  
14 plus the dependent child allowance rate with respect to each  
15 benefit year beginning in the immediately preceding calendar  
16 year, except as otherwise provided in this subsection. The  
17 dependent child allowance rate with respect to each benefit  
18 year beginning in calendar year 2010 shall be 17.9%. The  
19 dependent child allowance rate with respect to each benefit  
20 year beginning in calendar year 2011 shall be 17.4%. The  
21 dependent child allowance rate with respect to each benefit  
22 year beginning in calendar year 2012 shall be 17.0% and, with  
23 respect to each benefit year beginning after calendar year  
24 2012, shall not be less than 17.0% or greater than 17.9%.

25 For the purposes of this subsection:

26 "Dependent" means a child or a nonworking spouse.

1 "Child" means a natural child, stepchild, or adopted child  
2 of an individual claiming benefits under this Act or a child  
3 who is in the custody of any such individual by court order,  
4 for whom the individual is supplying and, for at least 90  
5 consecutive days (or for the duration of the parental  
6 relationship if it has existed for less than 90 days)  
7 immediately preceding any week with respect to which the  
8 individual has filed a claim, has supplied more than one-half  
9 the cost of support, or has supplied at least 1/4 of the cost  
10 of support if the individual and the other parent, together,  
11 are supplying and, during the aforesaid period, have supplied  
12 more than one-half the cost of support, and are, and were  
13 during the aforesaid period, members of the same household;  
14 and who, on the first day of such week (a) is under 18 years of  
15 age, or (b) is, and has been during the immediately preceding  
16 90 days, unable to work because of illness or other  
17 disability: provided, that no person who has been determined  
18 to be a child of an individual who has been allowed benefits  
19 with respect to a week in the individual's benefit year shall  
20 be deemed to be a child of the other parent, and no other  
21 person shall be determined to be a child of such other parent,  
22 during the remainder of that benefit year.

23 "Nonworking spouse" means the lawful husband or wife of an  
24 individual claiming benefits under this Act, for whom more  
25 than one-half the cost of support has been supplied by the  
26 individual for at least 90 consecutive days (or for the



1 duration of the marital relationship if it has existed for  
2 less than 90 days) immediately preceding any week with respect  
3 to which the individual has filed a claim, but only if the  
4 nonworking spouse is currently ineligible to receive benefits  
5 under this Act by reason of the provisions of Section 500E.

6 An individual who was obligated by law to provide for the  
7 support of a child or of a nonworking spouse for the aforesaid  
8 period of 90 consecutive days, but was prevented by illness or  
9 injury from doing so, shall be deemed to have provided more  
10 than one-half the cost of supporting the child or nonworking  
11 spouse for that period.

12 (Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;  
13 102-671, eff. 11-30-21.)

14 (820 ILCS 405/403) (from Ch. 48, par. 403)

15 Sec. 403. Maximum total amount of benefits.

16 A. With respect to any benefit year beginning prior to  
17 September 30, 1979, any otherwise eligible individual shall be  
18 entitled, during such benefit year, to a maximum total amount  
19 of benefits as shall be determined in the manner set forth in  
20 this Act as amended and in effect on November 9, 1977.

21 B. With respect to any benefit year beginning on or after  
22 September 30, 1979, except as otherwise provided in this  
23 Section, any otherwise eligible individual shall be entitled,  
24 during such benefit year, to a maximum total amount of  
25 benefits equal to 26 times his or her weekly benefit amount

1 plus dependents' allowances, or to the total wages for insured  
2 work paid to such individual during the individual's base  
3 period, whichever amount is smaller. With respect to any  
4 benefit year beginning in calendar year 2012, any otherwise  
5 eligible individual shall be entitled, during such benefit  
6 year, to a maximum total amount of benefits equal to 25 times  
7 his or her weekly benefit amount plus dependents' allowances,  
8 or to the total wages for insured work paid to such individual  
9 during the individual's base period, whichever amount is  
10 smaller. With respect to any benefit year beginning on or  
11 after January 1, 2023 and before January 1, 2024 ~~July 3, 2022,~~  
12 any otherwise eligible individual shall be entitled, during  
13 such benefit year, to a maximum total amount of benefits equal  
14 to 24 times his or her weekly benefit amount plus dependents'  
15 allowances, or to the total wages for insured work paid to such  
16 individual during the individual's base period, whichever  
17 amount is smaller.

18 (Source: P.A. 101-423, eff. 1-1-20; 102-671, eff. 11-30-21.)

19 (820 ILCS 405/703) (from Ch. 48, par. 453)

20 Sec. 703. Reconsideration of findings or determinations.  
21 The claims adjudicator may reconsider his finding at any time  
22 within thirteen weeks after the close of the benefit year. He  
23 may reconsider his determination at any time within one year  
24 after the last day of the week for which the determination was  
25 made, except that if the issue is whether or not, by reason of

1 a back pay award made by any governmental agency or pursuant to  
2 arbitration proceedings, or by reason of a payment of wages  
3 wrongfully withheld by an employing unit, an individual has  
4 received wages for a week with respect to which he or she has  
5 received benefits ~~or if the issue is whether or not the~~  
6 ~~claimant misstated his earnings for the week,~~ such  
7 reconsidered determination may be made at any time within 3  
8 years after the last day of the week, or if the issue is  
9 whether or not an individual misstated earnings for any week  
10 beginning on or after March 15, 2020, such reconsidered  
11 determination may be made at any time within 5 years after the  
12 last day of the week. No finding or determination shall be  
13 reconsidered at any time after appeal therefrom has been taken  
14 pursuant to the provisions of Section 800, except where a case  
15 has been remanded to the claims adjudicator by a Referee, the  
16 Director or the Board of Review, and except, further, that if  
17 an issue as to whether or not the claimant misstated his  
18 earnings is newly discovered, the determination may be  
19 reconsidered after and notwithstanding the fact that the  
20 decision upon the appeal has become final. Notice of such  
21 reconsidered determination or reconsidered finding shall be  
22 promptly given to the parties entitled to notice of the  
23 original determination or finding, as the case may be, in the  
24 same manner as is prescribed therefor, and such reconsidered  
25 determination or reconsidered finding shall be subject to  
26 appeal in the same manner and shall be given the same effect as

1 is provided for an original determination or finding.

2 The changes made by this amendatory Act of the 102nd  
3 General Assembly apply retroactively to March 15, 2020.

4 (Source: P.A. 92-396, eff. 1-1-02.)

5 (820 ILCS 405/1505) (from Ch. 48, par. 575)

6 Sec. 1505. Adjustment of state experience factor. The  
7 state experience factor shall be adjusted in accordance with  
8 the following provisions:

9 A. For calendar years prior to 1988, the state experience  
10 factor shall be adjusted in accordance with the provisions of  
11 this Act as amended and in effect on November 18, 2011.

12 B. (Blank).

13 C. For calendar year 1988 and each calendar year  
14 thereafter, for which the state experience factor is being  
15 determined.

16 1. For every \$50,000,000 (or fraction thereof) by  
17 which the adjusted trust fund balance falls below the  
18 target balance set forth in this subsection, the state  
19 experience factor for the succeeding year shall be  
20 increased one percent absolute.

21 For every \$50,000,000 (or fraction thereof) by which  
22 the adjusted trust fund balance exceeds the target balance  
23 set forth in this subsection, the state experience factor  
24 for the succeeding year shall be decreased by one percent  
25 absolute.

1           The target balance in each calendar year prior to 2003  
2           is \$750,000,000. The target balance in calendar year 2003  
3           is \$920,000,000. The target balance in calendar year 2004  
4           is \$960,000,000. The target balance in calendar year 2005  
5           and each calendar year thereafter is \$1,000,000,000.

6           2. For the purposes of this subsection:

7           "Net trust fund balance" is the amount standing to the  
8           credit of this State's account in the unemployment trust  
9           fund as of June 30 of the calendar year immediately  
10          preceding the year for which a state experience factor is  
11          being determined.

12          "Adjusted trust fund balance" is the net trust fund  
13          balance minus the sum of the benefit reserves for fund  
14          building for July 1, 1987 through June 30 of the year prior  
15          to the year for which the state experience factor is being  
16          determined. The adjusted trust fund balance shall not be  
17          less than zero. If the preceding calculation results in a  
18          number which is less than zero, the amount by which it is  
19          less than zero shall reduce the sum of the benefit  
20          reserves for fund building for subsequent years.

21          For the purpose of determining the state experience  
22          factor for 1989 and for each calendar year thereafter, the  
23          following "benefit reserves for fund building" shall apply  
24          for each state experience factor calculation in which that  
25          12 month period is applicable:

26                a. For the 12 month period ending on June 30, 1988,

1 the "benefit reserve for fund building" shall be  
2 8/104th of the total benefits paid from January 1,  
3 1988 through June 30, 1988.

4 b. For the 12 month period ending on June 30, 1989,  
5 the "benefit reserve for fund building" shall be the  
6 sum of:

7 i. 8/104ths of the total benefits paid from  
8 July 1, 1988 through December 31, 1988, plus

9 ii. 4/108ths of the total benefits paid from  
10 January 1, 1989 through June 30, 1989.

11 c. For the 12 month period ending on June 30, 1990,  
12 the "benefit reserve for fund building" shall be  
13 4/108ths of the total benefits paid from July 1, 1989  
14 through December 31, 1989.

15 d. For 1992 and for each calendar year thereafter,  
16 the "benefit reserve for fund building" for the 12  
17 month period ending on June 30, 1991 and for each  
18 subsequent 12 month period shall be zero.

19 3. Notwithstanding the preceding provisions of this  
20 subsection, for calendar years 1988 through 2003, the  
21 state experience factor shall not be increased or  
22 decreased by more than 15 percent absolute.

23 D. Notwithstanding the provisions of subsection C, the  
24 adjusted state experience factor:

25 1. Shall be 111 percent for calendar year 1988;

26 2. Shall not be less than 75 percent nor greater than

1 135 percent for calendar years 1989 through 2003; and  
2 shall not be less than 75% nor greater than 150% for  
3 calendar year 2004 and each calendar year thereafter, not  
4 counting any increase pursuant to subsection D-1, D-2, or  
5 D-3;

6 3. Shall not be decreased by more than 5 percent  
7 absolute for any calendar year, beginning in calendar year  
8 1989 and through calendar year 1992, by more than 6%  
9 absolute for calendar years 1993 through 1995, by more  
10 than 10% absolute for calendar years 1999 through 2003 and  
11 by more than 12% absolute for calendar year 2004 and each  
12 calendar year thereafter, from the adjusted state  
13 experience factor of the calendar year preceding the  
14 calendar year for which the adjusted state experience  
15 factor is being determined;

16 4. Shall not be increased by more than 15% absolute  
17 for calendar year 1993, by more than 14% absolute for  
18 calendar years 1994 and 1995, by more than 10% absolute  
19 for calendar years 1999 through 2003 and by more than 16%  
20 absolute for calendar year 2004 and each calendar year  
21 thereafter, from the adjusted state experience factor for  
22 the calendar year preceding the calendar year for which  
23 the adjusted state experience factor is being determined;

24 5. Shall be 100% for calendar years 1996, 1997, and  
25 1998.

26 D-1. The adjusted state experience factor for each of

1 calendar years 2013 through 2015 shall be increased by 5%  
2 absolute above the adjusted state experience factor as  
3 calculated without regard to this subsection. The adjusted  
4 state experience factor for each of calendar years 2016  
5 through 2018 shall be increased by 6% absolute above the  
6 adjusted state experience factor as calculated without regard  
7 to this subsection. The increase in the adjusted state  
8 experience factor for calendar year 2018 pursuant to this  
9 subsection shall not be counted for purposes of applying  
10 paragraph 3 or 4 of subsection D to the calculation of the  
11 adjusted state experience factor for calendar year 2019.

12 D-2. (Blank).

13 D-3. The adjusted state experience factor for ~~the portion~~  
14 ~~of~~ calendar year 2023 ~~2022 beginning July 3, 2022~~ shall be  
15 increased by 16% absolute above the adjusted state experience  
16 factor as calculated without regard to this subsection. The  
17 increase in the adjusted state experience factor for ~~the~~  
18 ~~portion of~~ calendar year 2023 ~~2022 beginning July 3, 2022~~  
19 pursuant to this subsection shall not be counted for purposes  
20 of applying paragraph 3 or 4 of subsection D to the calculation  
21 of the adjusted state experience factor for calendar year 2024  
22 ~~2023~~.

23 E. The amount standing to the credit of this State's  
24 account in the unemployment trust fund as of June 30 shall be  
25 deemed to include as part thereof (a) any amount receivable on  
26 that date from any Federal governmental agency, or as a



1 payment in lieu of contributions under the provisions of  
2 Sections 1403 and 1405 B and paragraph 2 of Section 302C, in  
3 reimbursement of benefits paid to individuals, and (b) amounts  
4 credited by the Secretary of the Treasury of the United States  
5 to this State's account in the unemployment trust fund  
6 pursuant to Section 903 of the Federal Social Security Act, as  
7 amended, including any such amounts which have been  
8 appropriated by the General Assembly in accordance with the  
9 provisions of Section 2100 B for expenses of administration,  
10 except any amounts which have been obligated on or before that  
11 date pursuant to such appropriation.

12 (Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;  
13 102-671, eff. 11-30-21.)

14 (820 ILCS 405/1506.6)

15 Sec. 1506.6. Surcharge; specified period. For each  
16 employer whose contribution rate for calendar year 2023 ~~2022~~  
17 is determined pursuant to Section 1500 or 1506.1, in addition  
18 to the contribution rate established pursuant to Section  
19 1506.3, ~~for the portion of calendar year 2022 beginning July~~  
20 ~~3, 2022,~~ an additional surcharge of 0.325% shall be added to  
21 the contribution rate. The surcharge established by this  
22 Section shall be due at the same time as other contributions  
23 with respect to the quarter are due, as provided in Section  
24 1400. Payments attributable to the surcharge established  
25 pursuant to this Section shall be contributions and deposited

1 into the clearing account.

2 (Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;  
3 102-671, eff. 11-30-21.)

4 (820 ILCS 405/2100) (from Ch. 48, par. 660)

5 Sec. 2100. Handling of funds - Bond - Accounts.

6 A. All contributions and payments in lieu of contributions  
7 collected under this Act, including but not limited to fund  
8 building receipts and receipts attributable to the surcharge  
9 established pursuant to Section 1506.5, together with any  
10 interest thereon; all penalties collected pursuant to this  
11 Act; any property or securities acquired through the use  
12 thereof; all moneys advanced to this State's account in the  
13 unemployment trust fund pursuant to the provisions of Title  
14 XII of the Social Security Act, as amended; all moneys  
15 directed for transfer from the Master Bond Fund or the Title  
16 XII Interest Fund to this State's account in the unemployment  
17 trust fund; all moneys received from the Federal government as  
18 reimbursements pursuant to Section 204 of the Federal-State  
19 Extended Unemployment Compensation Act of 1970, as amended;  
20 all moneys credited to this State's account in the  
21 unemployment trust fund pursuant to Section 903 of the Federal  
22 Social Security Act, as amended; all administrative fees  
23 collected from individuals pursuant to Section 900 or from  
24 employing units pursuant to Section 2206.1; funds directed for  
25 deposit into the State's account in the Unemployment Trust

1 Fund from any other source; and all earnings of such property  
2 or securities and any interest earned upon any such moneys  
3 shall be paid or turned over to the Department and held by the  
4 Director, as ex-officio custodian of the clearing account, the  
5 unemployment trust fund account and the benefit account, and  
6 by the State Treasurer, as ex-officio custodian of the special  
7 administrative account, separate and apart from all public  
8 moneys or funds of this State, as hereinafter provided. Such  
9 moneys shall be administered by the Director exclusively for  
10 the purposes of this Act.

11 No such moneys shall be paid or expended except upon the  
12 direction of the Director in accordance with such regulations  
13 as he shall prescribe pursuant to the provisions of this Act.

14 The State Treasurer shall be liable on his general  
15 official bond for the faithful performance of his duties in  
16 connection with the moneys in the special administrative  
17 account provided for under this Act. Such liability on his  
18 official bond shall exist in addition to the liability upon  
19 any separate bond given by him. All sums recovered for losses  
20 sustained by the account shall be deposited in that account.

21 The Director shall be liable on his general official bond  
22 for the faithful performance of his duties in connection with  
23 the moneys in the clearing account, the benefit account and  
24 unemployment trust fund account provided for under this Act.  
25 Such liability on his official bond shall exist in addition to  
26 the liability upon any separate bond given by him. All sums

1 recovered for losses sustained by any one of the accounts  
2 shall be deposited in the account that sustained such loss.

3 The Treasurer shall maintain for such moneys a special  
4 administrative account. The Director shall maintain for such  
5 moneys 3 separate accounts: a clearing account, a benefit  
6 account, and an unemployment trust fund account. All moneys  
7 payable under this Act (except moneys requisitioned from this  
8 State's account in the unemployment trust fund and deposited  
9 in the benefit account and moneys directed for deposit into  
10 the Special Programs Fund provided for under Section 2107),  
11 including but not limited to moneys directed for transfer from  
12 the Master Bond Fund or the Title XII Interest Fund to this  
13 State's account in the unemployment trust fund, upon receipt  
14 thereof, shall be immediately deposited in the clearing  
15 account; provided, however, that, except as is otherwise  
16 provided in this Section, interest and penalties shall not be  
17 deemed a part of the clearing account but shall be transferred  
18 immediately upon clearance thereof to the special  
19 administrative account; further provided that an amount not to  
20 exceed \$90,000,000 in payments attributable to the surcharge  
21 established pursuant to Section 1506.5, including any interest  
22 thereon, shall not be deemed a part of the clearing account but  
23 shall be transferred immediately upon clearance thereof to the  
24 Title XII Interest Fund.

25 After clearance thereof, all other moneys in the clearing  
26 account shall be immediately deposited by the Director with

1 the Secretary of the Treasury of the United States of America  
2 to the credit of the account of this State in the unemployment  
3 trust fund, established and maintained pursuant to the Federal  
4 Social Security Act, as amended, except fund building  
5 receipts, which shall be deposited into the Master Bond Fund.  
6 The benefit account shall consist of all moneys requisitioned  
7 from this State's account in the unemployment trust fund. The  
8 moneys in the benefit account shall be expended in accordance  
9 with regulations prescribed by the Director and solely for the  
10 payment of benefits, refunds of contributions, interest and  
11 penalties under the provisions of the Act, the payment of  
12 health insurance in accordance with Section 410 of this Act,  
13 and the transfer or payment of funds to any Federal or State  
14 agency pursuant to reciprocal arrangements entered into by the  
15 Director under the provisions of Section 2700E, except that  
16 moneys credited to this State's account in the unemployment  
17 trust fund pursuant to Section 903 of the Federal Social  
18 Security Act, as amended, shall be used exclusively as  
19 provided in subsection B. For purposes of this Section only,  
20 to the extent allowed by applicable legal requirements, the  
21 payment of benefits includes but is not limited to the payment  
22 of principal on any bonds issued pursuant to the Illinois  
23 Unemployment Insurance Trust Fund Financing Act, exclusive of  
24 any interest or administrative expenses in connection with the  
25 bonds. The Director shall, from time to time, requisition from  
26 the unemployment trust fund such amounts, not exceeding the

1 amounts standing to the State's account therein, as he deems  
2 necessary solely for the payment of such benefits, refunds,  
3 and funds, for a reasonable future period. The Director, as  
4 ex-officio custodian of the benefit account, which shall be  
5 kept separate and apart from all other public moneys, shall  
6 issue payment of such benefits, refunds, health insurance and  
7 funds solely from the moneys so received into the benefit  
8 account. However, after January 1, 1987, no payment shall be  
9 drawn on such benefit account unless at the time of drawing  
10 there is sufficient money in the account to make the payment.  
11 The Director shall retain in the clearing account an amount of  
12 interest and penalties equal to the amount of interest and  
13 penalties to be refunded from the benefit account. After  
14 clearance thereof, the amount so retained shall be immediately  
15 deposited by the Director, as are all other moneys in the  
16 clearing account, with the Secretary of the Treasury of the  
17 United States. If, at any time, an insufficient amount of  
18 interest and penalties is available for retention in the  
19 clearing account, no refund of interest or penalties shall be  
20 made from the benefit account until a sufficient amount is  
21 available for retention and is so retained, or until the State  
22 Treasurer, upon the direction of the Director, transfers to  
23 the Director a sufficient amount from the special  
24 administrative account, for immediate deposit in the benefit  
25 account.

26 Any balance of moneys requisitioned from the unemployment

1 trust fund which remains unclaimed or unpaid in the benefit  
2 account after the expiration of the period for which such sums  
3 were requisitioned shall either be deducted from estimates of  
4 and may be utilized for authorized expenditures during  
5 succeeding periods, or, in the discretion of the Director,  
6 shall be redeposited with the Secretary of the Treasury of the  
7 United States to the credit of the State's account in the  
8 unemployment trust fund.

9 Moneys in the clearing, benefit and special administrative  
10 accounts shall not be commingled with other State funds but  
11 they shall be deposited as required by law and maintained in  
12 separate accounts on the books of a savings and loan  
13 association or bank.

14 No bank or savings and loan association shall receive  
15 public funds as permitted by this Section, unless it has  
16 complied with the requirements established pursuant to Section  
17 6 of "An Act relating to certain investments of public funds by  
18 public agencies", approved July 23, 1943, as now or hereafter  
19 amended.

20 B. Moneys credited to the account of this State in the  
21 unemployment trust fund by the Secretary of the Treasury of  
22 the United States pursuant to Section 903 of the Social  
23 Security Act may be requisitioned from this State's account  
24 and used as authorized by Section 903. Any interest required  
25 to be paid on advances under Title XII of the Social Security  
26 Act shall be paid in a timely manner and shall not be paid,

1 directly or indirectly, by an equivalent reduction in  
2 contributions or payments in lieu of contributions from  
3 amounts in this State's account in the unemployment trust  
4 fund. Such moneys may be requisitioned and used for the  
5 payment of expenses incurred for the administration of this  
6 Act, but only pursuant to a specific appropriation by the  
7 General Assembly and only if the expenses are incurred and the  
8 moneys are requisitioned after the enactment of an  
9 appropriation law which:

10 1. Specifies the purpose or purposes for which such  
11 moneys are appropriated and the amount or amounts  
12 appropriated therefor;

13 2. Limits the period within which such moneys may be  
14 obligated to a period ending not more than 2 years after  
15 the date of the enactment of the appropriation law; and

16 3. Limits the amount which may be obligated during any  
17 fiscal year to an amount which does not exceed the amount  
18 by which (a) the aggregate of the amounts transferred to  
19 the account of this State pursuant to Section 903 of the  
20 Social Security Act exceeds (b) the aggregate of the  
21 amounts used by this State pursuant to this Act and  
22 charged against the amounts transferred to the account of  
23 this State.

24 For purposes of paragraph (3) above, amounts obligated for  
25 administrative purposes pursuant to an appropriation shall be  
26 chargeable against transferred amounts at the exact time the



1 obligation is entered into. The appropriation, obligation, and  
2 expenditure or other disposition of money appropriated under  
3 this subsection shall be accounted for in accordance with  
4 standards established by the United States Secretary of Labor.

5 Moneys appropriated as provided herein for the payment of  
6 expenses of administration shall be requisitioned by the  
7 Director as needed for the payment of obligations incurred  
8 under such appropriation. Upon requisition, such moneys shall  
9 be deposited with the State Treasurer, who shall hold such  
10 moneys, as ex-officio custodian thereof, in accordance with  
11 the requirements of Section 2103 and, upon the direction of  
12 the Director, shall make payments therefrom pursuant to such  
13 appropriation. Moneys so deposited shall, until expended,  
14 remain a part of the unemployment trust fund and, if any will  
15 not be expended, shall be returned promptly to the account of  
16 this State in the unemployment trust fund.

17 C. The Governor is authorized to apply to the United  
18 States Secretary of Labor for an advance or advances to this  
19 State's account in the unemployment trust fund pursuant to the  
20 conditions set forth in Title XII of the Federal Social  
21 Security Act, as amended. The State's account in the  
22 unemployment trust fund is authorized to receive  
23 appropriations of State funds from other State accounts to  
24 repay any such advance or advances. The amount of any such  
25 advance may be repaid from this State's account in the  
26 unemployment trust fund.

1 D. The Director shall annually on or before the first day  
2 of March report in writing to the Employment Security Advisory  
3 Board concerning the deposits into and expenditures from this  
4 State's account in the Unemployment Trust Fund.

5 E. The changes made by this amendatory Act of the 102nd  
6 General Assembly to subsection A and subsection C clarify  
7 authority already provided by law.

8 (Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11;  
9 97-791, eff. 1-1-13.)

10 ARTICLE 110. MICRO ACT

11 Section 110-1. Short title. This Article may be cited as  
12 the Manufacturing Illinois Chips for Real Opportunity (MICRO)  
13 Act. References in this Article to "this Act" mean this  
14 Article.

15 Section 110-5. Purpose. It is the intent of the General  
16 Assembly that Illinois should lead the nation in production of  
17 semiconductors and microchips as they become even more  
18 prevalent in everyday life. The General Assembly finds that,  
19 through investments in semiconductors and microchips, Illinois  
20 will be on the forefront of reshoring semiconductor and  
21 microchip production that fuels modern technologies that are  
22 essential to the operation of computers, phones, vehicles and  
23 any electric product that have become essential to modern

1 life. This Act will create good paying jobs, and generate  
2 long-term economic investment in the Illinois business  
3 economy, in addition to ensuring a vital product is made in the  
4 United States. Illinois must aggressively adopt new business  
5 development investment tools so that Illinois can compete with  
6 domestic and foreign competitors for semiconductor and chip  
7 manufacturing.

8 Section 110-10. Definitions. As used in this Act:

9 "Agreement" means the agreement between a taxpayer and the  
10 Department under the provisions of this Act.

11 "Applicant" means a taxpayer that: (i) operates a business  
12 in Illinois as a semiconductor manufacturer, a microchip  
13 manufacturer, or a manufacturer of semiconductor or microchip  
14 component parts; or (ii) is planning to locate a business  
15 within the State of Illinois as a semiconductor manufacturer,  
16 a microchip manufacturer, or a manufacturer of semiconductor  
17 or microchip component parts. "Applicant" does not include a  
18 taxpayer who closes or substantially reduces by more than 50%  
19 operations at one location in the State and relocates  
20 substantially the same operation to another location in the  
21 State. This does not prohibit a Taxpayer from expanding its  
22 operations at another location in the State. This also does  
23 not prohibit a Taxpayer from moving its operations from one  
24 location in the State to another location in the State for the  
25 purpose of expanding the operation, provided that the

1 Department determines that expansion cannot reasonably be  
2 accommodated within the municipality or county in which the  
3 business is located, or, in the case of a business located in  
4 an incorporated area of the county, within the county in which  
5 the business is located, after conferring with the chief  
6 elected official of the municipality or county and taking into  
7 consideration any evidence offered by the municipality or  
8 county regarding the ability to accommodate expansion within  
9 the municipality or county.

10 "Capital improvements" means the purchase, renovation,  
11 rehabilitation, or construction of permanent tangible land,  
12 buildings, structures, equipment, and furnishings in an  
13 approved project sited in Illinois and expenditures for goods  
14 or services that are normally capitalized, including  
15 organizational costs and research and development costs  
16 incurred in Illinois. For land, buildings, structures, and  
17 equipment that are leased, the lease must equal or exceed the  
18 term of the agreement, and the cost of the property shall be  
19 determined from the present value, using the corporate  
20 interest rate prevailing at the time of the application, of  
21 the lease payments.

22 "Credit" or "MICRO credit" means a credit agreed to  
23 between the Department and applicant under this Act.

24 "Department" means the Department of Commerce and Economic  
25 Opportunity.

26 "Director" means the Director of Commerce and Economic

1 Opportunity.

2 "Energy Transition Area" means a county with less than  
3 100,000 people or a municipality that contains one or more of  
4 the following:

5 (1) a fossil fuel plant that was retired from service  
6 or has significant reduced service within 6 years before  
7 the time of the application or will be retired or have  
8 service significantly reduced within 6 years following the  
9 time of the application; or

10 (2) a coal mine that was closed or had operations  
11 significantly reduced within 6 years before the time of  
12 the application or is anticipated to be closed or have  
13 operations significantly reduced within 6 years following  
14 the time of the application.

15 "Full-time employee" means an individual who is employed  
16 for consideration for at least 35 hours each week or who  
17 renders any other standard of service generally accepted by  
18 industry custom or practice as full-time employment. An  
19 individual for whom a W-2 is issued by a Professional Employer  
20 Organization (PEO) is a full-time employee if employed in the  
21 service of the applicant for consideration for at least 35  
22 hours each week.

23 "Incremental income tax" means the total amount withheld  
24 during the taxable year from the compensation of new employees  
25 and, if applicable, retained employees under Article 7 of the  
26 Illinois Income Tax Act arising from employment at a project

1 that is the subject of an agreement.

2 "Institution of higher education" or "institution" means  
3 any accredited public or private university, college,  
4 community college, business, technical, or vocational school,  
5 or other accredited educational institution offering degrees  
6 and instruction beyond the secondary school level.

7 "MICRO construction jobs credit" means a credit agreed to  
8 between the Department and the applicant under this Act that  
9 is based on the incremental income tax attributable to  
10 construction wages paid in connection with construction of the  
11 project facilities.

12 "MICRO credit" means a credit agreed to between the  
13 Department and the applicant under this Act that is based on  
14 the incremental income tax attributable to new employees and,  
15 if applicable, retained employees, and on training costs for  
16 such employees at the applicant's project.

17 "Microchip" means a wafer of semiconducting material that  
18 is less than 15 millimeters long and less than 5 millimeters  
19 wide and is used to make an integrated circuit.

20 "Microchip manufacturer" means a new or existing  
21 manufacturer that is focused on reequipping, expanding, or  
22 establishing a manufacturing facility in Illinois that  
23 produces microchips or key components that directly support  
24 the functions of microchips.

25 "Minority person" means a minority person as defined in  
26 the Business Enterprise for Minorities, Women, and Persons

1 with Disabilities Act.

2 "New employee" means a newly-hired full-time employee  
3 employed to work at the project site and whose work is directly  
4 related to the project.

5 "Noncompliance date" means, in the case of a taxpayer that  
6 is not complying with the requirements of the agreement or the  
7 provisions of this Act, the day following the last date upon  
8 which the taxpayer was in compliance with the requirements of  
9 the agreement and the provisions of this Act, as determined by  
10 the Director.

11 "Pass-through entity" means an entity that is exempt from  
12 the tax under subsection (b) or (c) of Section 205 of the  
13 Illinois Income Tax Act.

14 "Placed in service" means the state or condition of  
15 readiness, availability for a specifically assigned function,  
16 and the facility is constructed and ready to conduct its  
17 facility operations to manufacture goods.

18 "Professional employer organization" (PEO) means an  
19 employee leasing company, as defined in Section 206.1 of the  
20 Illinois Unemployment Insurance Act.

21 "Program" means the Manufacturing Illinois Chips for Real  
22 Opportunity (MICRO) program established in this Act.

23 "Project" means a for-profit economic development activity  
24 for the manufacture of semiconductors and microchips.

25 "Related member" means a person that, with respect to the  
26 taxpayer during any portion of the taxable year, is any one of

1 the following:

2 (1) An individual stockholder, if the stockholder and  
3 the members of the stockholder's family (as defined in  
4 Section 318 of the Internal Revenue Code) own directly,  
5 indirectly, beneficially, or constructively, in the  
6 aggregate, at least 50% of the value of the taxpayer's  
7 outstanding stock.

8 (2) A partnership, estate, trust and any partner or  
9 beneficiary, if the partnership, estate, or trust, and its  
10 partners or beneficiaries own directly, indirectly,  
11 beneficially, or constructively, in the aggregate, at  
12 least 50% of the profits, capital, stock, or value of the  
13 taxpayer.

14 (3) A corporation, and any party related to the  
15 corporation in a manner that would require an attribution  
16 of stock from the corporation under the attribution rules  
17 of Section 318 of the Internal Revenue Code, if the  
18 Taxpayer owns directly, indirectly, beneficially, or  
19 constructively at least 50% of the value of the  
20 corporation's outstanding stock.

21 (4) A corporation and any party related to that  
22 corporation in a manner that would require an attribution  
23 of stock from the corporation to the party or from the  
24 party to the corporation under the attribution rules of  
25 Section 318 of the Internal Revenue Code, if the  
26 corporation and all such related parties own in the



1 aggregate at least 50% of the profits, capital, stock, or  
2 value of the taxpayer.

3 (5) A person to or from whom there is an attribution of  
4 stock ownership in accordance with Section 1563(e) of the  
5 Internal Revenue Code, except, for purposes of determining  
6 whether a person is a related member under this paragraph,  
7 20% shall be substituted for 5% wherever 5% appears in  
8 Section 1563(e) of the Internal Revenue Code.

9 "Retained employee" means a full-time employee employed by  
10 the taxpayer prior to the term of the Agreement who continues  
11 to be employed during the term of the agreement whose job  
12 duties are directly and substantially related to the project.  
13 For purposes of this definition, "directly and substantially  
14 related to the project" means at least two-thirds of the  
15 employee's job duties must be directly related to the project  
16 and the employee must devote at least two-thirds of his or her  
17 time to the project. The term "retained employee" does not  
18 include any individual who has a direct or an indirect  
19 ownership interest of at least 5% in the profits, equity,  
20 capital, or value of the taxpayer or a child, grandchild,  
21 parent, or spouse, other than a spouse who is legally  
22 separated from the individual, of any individual who has a  
23 direct or indirect ownership of at least 5% in the profits,  
24 equity, capital, or value of the taxpayer.

25 "Semiconductor" means any class of crystalline solids  
26 intermediate in electrical conductivity between a conductor

1 and an insulator.

2 "Semiconductor manufacturer" means a new or existing  
3 manufacturer that is focused on reequipping, expanding, or  
4 establishing a manufacturing facility in Illinois that  
5 produces semiconductors or key components that directly  
6 support the functions of semiconductors.

7 "Statewide baseline" means the total number of full-time  
8 employees of the applicant and any related member employed by  
9 such entities at the time of application for incentives under  
10 this Act.

11 "Taxpayer" means an individual, corporation, partnership,  
12 or other entity that has a legal obligation to pay Illinois  
13 income taxes and file an Illinois income tax return.

14 "Training costs" means costs incurred to upgrade the  
15 technological skills of full-time employees in Illinois and  
16 includes: curriculum development; training materials  
17 (including scrap product costs); trainee domestic travel  
18 expenses; instructor costs (including wages, fringe benefits,  
19 tuition and domestic travel expenses); rent, purchase or lease  
20 of training equipment; and other usual and customary training  
21 costs. "Training costs" do not include costs associated with  
22 travel outside the United States (unless the Taxpayer receives  
23 prior written approval for the travel by the Director based on  
24 a showing of substantial need or other proof the training is  
25 not reasonably available within the United States), wages and  
26 fringe benefits of employees during periods of training, or

1 administrative cost related to Full-Time Employees of the  
2 Taxpayer.

3 "Underserved area" means any geographic areas as defined  
4 in Section 5-5 of the Economic Development for a Growing  
5 Economy Tax Credit Act.

6 Section 110-15. Powers of the Department. The Department,  
7 in addition to those powers granted under the Civil  
8 Administrative Code of Illinois, is granted and shall have all  
9 the powers necessary or convenient to administer the program  
10 under this Act and to carry out and effectuate the purposes and  
11 provisions of this Act, including, but not limited to, the  
12 power and authority to:

13 (1) adopt rules deemed necessary and appropriate for  
14 the administration of the program, the designation of  
15 projects, and the awarding of credits;

16 (2) establish forms for applications, notifications,  
17 contracts, or any other agreements and accept applications  
18 at any time during the year;

19 (3) assist taxpayers pursuant to the provisions of  
20 this Act and cooperate with taxpayers that are parties to  
21 agreements under this Act to promote, foster, and support  
22 economic development, capital investment, and job creation  
23 or retention within the State;

24 (4) enter into agreements and memoranda of  
25 understanding for participation of, and engage in

1 cooperation with, agencies of the federal government,  
2 units of local government, universities, research  
3 foundations or institutions, regional economic development  
4 corporations, or other organizations to implement the  
5 requirements and purposes of this Act;

6 (5) gather information and conduct inquiries, in the  
7 manner and by the methods it deems desirable, including  
8 without limitation, gathering information with respect to  
9 applicants for the purpose of making any designations or  
10 certifications necessary or desirable or to gather  
11 information to assist the Department with any  
12 recommendation or guidance in the furtherance of the  
13 purposes of this Act;

14 (6) establish, negotiate and effectuate agreements and  
15 any term, agreement, or other document with any person,  
16 necessary or appropriate to accomplish the purposes of  
17 this Act; and to consent, subject to the provisions of any  
18 agreement with another party, to the modification or  
19 restructuring of any agreement to which the Department is  
20 a party;

21 (7) fix, determine, charge, and collect any premiums,  
22 fees, charges, costs, and expenses from applicants,  
23 including, without limitation, any application fees,  
24 commitment fees, program fees, financing charges, or  
25 publication fees as deemed appropriate to pay expenses  
26 necessary or incident to the administration, staffing, or

1 operation in connection with the Department's activities  
2 under this Act, or for preparation, implementation, and  
3 enforcement of the terms of the agreement, or for  
4 consultation, advisory and legal fees, and other costs;  
5 however, all fees and expenses incident thereto shall be  
6 the responsibility of the applicant;

7 (8) provide for sufficient personnel to permit  
8 administration, staffing, operation, and related support  
9 required to adequately discharge its duties and  
10 responsibilities described in this Act from funds made  
11 available through charges to applicants or from funds as  
12 may be appropriated by the General Assembly for the  
13 administration of this Act;

14 (9) require applicants, upon written request, to issue  
15 any necessary authorization to the appropriate federal,  
16 State, or local authority for the release of information  
17 concerning a project being considered under the provisions  
18 of this Act, with the information requested to include,  
19 but not be limited to, financial reports, returns, or  
20 records relating to the taxpayer or its project;

21 (10) require that a taxpayer shall at all times keep  
22 proper books of record and account in accordance with  
23 generally accepted accounting principles consistently  
24 applied, with the books, records, or papers related to the  
25 agreement in the custody or control of the taxpayer open  
26 for reasonable Department inspection and audits, and

1 including, without limitation, the making of copies of the  
2 books, records, or papers, and the inspection or appraisal  
3 of any of the taxpayer or project assets;

4 (11) take whatever actions are necessary or  
5 appropriate to protect the State's interest in the event  
6 of bankruptcy, default, foreclosure, or noncompliance with  
7 the terms and conditions of financial assistance or  
8 participation required under this Act, including the power  
9 to sell, dispose, lease, or rent, upon terms and  
10 conditions determined by the Director to be appropriate,  
11 real or personal property that the Department may receive  
12 as a result of these actions.

13 Section 110-20. Manufacturing Illinois Chips for Real  
14 Opportunity (MICRO) Program; project applications.

15 (a) The Manufacturing Illinois Chips for Real Opportunity  
16 (MICRO) Program is hereby established and shall be  
17 administered by the Department. The Program will provide  
18 financial incentives to eligible semiconductor manufacturers  
19 and microchip manufacturers.

20 (b) Any taxpayer planning a project to be located in  
21 Illinois may request consideration for designation of its  
22 project as a MICRO project, by formal written letter of  
23 request or by formal application to the Department, in which  
24 the applicant states its intent to make at least a specified  
25 level of investment and intends to hire a specified number of

1 full-time employees at a designated location in Illinois. As  
2 circumstances require, the Department shall require a formal  
3 application from an applicant and a formal letter of request  
4 for assistance.

5 (c) In order to qualify for credits under the program, an  
6 Applicant must:

7 (1) for a semiconductor manufacturer or microchip  
8 manufacturer:

9 (A) make an investment of at least \$1,500,000,000  
10 in capital improvements at the project site;

11 (B) to be placed in service within the State  
12 within a 60-month period after approval of the  
13 application; and

14 (C) create at least 500 new full-time employee  
15 jobs; or

16 (2) for a semiconductor or microchip component parts  
17 manufacturer:

18 (A) make an investment of at least \$300,000,000 in  
19 capital improvements at the project site;

20 (B) manufacture one or more parts that are  
21 primarily used for the manufacture of semiconductors  
22 or microchips;

23 (C) to be placed in service within the State  
24 within a 60-month period after approval of the  
25 application; and

26 (D) create at least 150 new full-time employee

1 jobs; or

2 (3) for a semiconductor manufacturer or microchip  
3 manufacturer or a semiconductor or microchip component  
4 parts manufacturer that does not qualify under paragraph  
5 (2) above:

6 (A) make an investment of at least \$20,000,000 in  
7 capital improvements at the project site;

8 (B) to be placed in service within the State  
9 within a 48-month period after approval of the  
10 application; and

11 (C) create at least 50 new full-time employee  
12 jobs; or

13 (4) for a semiconductor manufacturer or microchip  
14 manufacturer or a semiconductor or microchip component  
15 parts manufacturer with existing operations in Illinois  
16 that intends to convert or expand, in whole or in part, the  
17 existing facility from traditional manufacturing to  
18 semiconductor manufacturing or microchip manufacturing or  
19 semiconductor or microchip component parts manufacturing:

20 (A) make an investment of at least \$100,000,000 in  
21 capital improvements at the project site;

22 (B) to be placed in service within the State  
23 within a 60-month period after approval of the  
24 application; and

25 (C) create the lesser of 75 new full-time employee  
26 jobs or new full-time employee jobs equivalent to 10%



1 of the Statewide baseline applicable to the taxpayer  
2 and any related member at the time of application.

3 (d) For any applicant creating the full-time employee jobs  
4 noted in subsection (c), those jobs must have a total  
5 compensation equal to or greater than 120% of the average wage  
6 paid to full-time employees in the county where the project is  
7 located, as determined by the U.S. Bureau of Labor Statistics.

8 (e) Each applicant must outline its hiring plan and  
9 commitment to recruit and hire full-time employee positions at  
10 the project site. The hiring plan may include a partnership  
11 with an institution of higher education to provide  
12 internships, including, but not limited to, internships  
13 supported by the Clean Jobs Workforce Network Program, or  
14 full-time permanent employment for students at the project  
15 site. Additionally, the applicant may create or utilize  
16 participants from apprenticeship programs that are approved by  
17 and registered with the United States Department of Labor's  
18 Bureau of Apprenticeship and Training. The Applicant may apply  
19 for apprenticeship education expense credits in accordance  
20 with the provisions set forth in 14 Ill. Admin. Code 522. Each  
21 applicant is required to report annually, on or before April  
22 15, on the diversity of its workforce in accordance with  
23 Section 110-50 of this Act. For existing facilities of  
24 applicants under paragraph (3) of subsection (b) above, if the  
25 taxpayer expects a reduction in force due to its transition to  
26 manufacturing semiconductors, microchips, or semiconductor or

1 microchip component parts, the plan submitted under this  
2 Section must outline the taxpayer's plan to assist with  
3 retraining its workforce aligned with the taxpayer's adoption  
4 of new technologies and anticipated efforts to retrain  
5 employees through employment opportunities within the  
6 taxpayer's workforce.

7 (f) A taxpayer may not enter into more than one agreement  
8 under this Act with respect to a single address or location for  
9 the same period of time. Also, a taxpayer may not enter into an  
10 agreement under this Act with respect to a single address or  
11 location for the same period of time for which the taxpayer  
12 currently holds an active agreement under the Economic  
13 Development for a Growing Economy Tax Credit Act. This  
14 provision does not preclude the applicant from entering into  
15 an additional agreement after the expiration or voluntary  
16 termination of an earlier agreement under this Act or under  
17 the Economic Development for a Growing Economy Tax Credit Act  
18 to the extent that the taxpayer's application otherwise  
19 satisfies the terms and conditions of this Act and is approved  
20 by the Department. An applicant with an existing agreement  
21 under the Economic Development for a Growing Economy Tax  
22 Credit Act may submit an application for an agreement under  
23 this Act after it terminates any existing agreement under the  
24 Economic Development for a Growing Economy Tax Credit Act with  
25 respect to the same address or location.

1 Section 110-25. Review of application. The Department  
2 shall determine which projects will benefit the State. In  
3 making its recommendation that an applicant's application for  
4 credit should or should not be accepted, which shall occur  
5 within a reasonable time frame as determined by the nature of  
6 the application, the Department shall determine that all the  
7 following conditions exist:

8 (1) the applicant intends to make the required  
9 investment in the State and intends to hire the required  
10 number of full-time employees;

11 (2) the applicant's project is economically sound,  
12 will benefit the people of the State by increasing  
13 opportunities for employment, and will strengthen the  
14 economy of the State;

15 (3) awarding the credit will result in an overall  
16 positive fiscal impact to the State, as certified by the  
17 Department using the best available data; and

18 (4) the credit is not prohibited under this Act.

19 Section 110-30. Tax credit awards.

20 (a) Subject to the conditions set forth in this Act, a  
21 taxpayer is entitled to a credit against the tax imposed  
22 pursuant to subsections (a) and (b) of Section 201 of the  
23 Illinois Income Tax Act for a taxable year beginning on or  
24 after January 1, 2025 if the taxpayer is awarded a credit by  
25 the Department in accordance with an agreement under this Act.

1 The Department has authority to award credits under this Act  
2 on and after January 1, 2023.

3 (b) A taxpayer may receive a tax credit against the tax  
4 imposed under subsections (a) and (b) of Section 201 of the  
5 Illinois Income Tax Act, not to exceed the sum of (i) 75% of  
6 the incremental income tax attributable to new employees at  
7 the applicant's project and (ii) 10% of the training costs of  
8 the new employees. If the project is located in an underserved  
9 area or an energy transition area, then the amount of the  
10 credit may not exceed the sum of (i) 100% of the incremental  
11 income tax attributable to new employees at the applicant's  
12 project; and (ii) 10% of the training costs of the new  
13 employees. The percentage of training costs includable in the  
14 calculation may be increased by an additional 15% for training  
15 costs associated with new employees that are recent (2 years  
16 or less) graduates, certificate holders, or credential  
17 recipients from an institution of higher education in  
18 Illinois, or, if the training is provided by an institution of  
19 higher education in Illinois, the Clean Jobs Workforce Network  
20 Program, or an apprenticeship and training program located in  
21 Illinois and approved by and registered with the United States  
22 Department of Labor's Bureau of Apprenticeship and Training.  
23 An applicant is also eligible for a training credit that shall  
24 not exceed 10% of the training costs of retained employees for  
25 the purpose of upskilling to meet the operational needs of the  
26 applicant or the project. The percentage of training costs

1 includable in the calculation shall not exceed a total of 25%.  
2 If an applicant agrees to hire the required number of new  
3 employees, then the maximum amount of the credit for that  
4 applicant may be increased by an amount not to exceed 25% of  
5 the incremental income tax attributable to retained employees  
6 at the applicant's project; provided that, in order to receive  
7 the increase for retained employees, the applicant must, if  
8 applicable, meet or exceed the statewide baseline. If the  
9 Project is in an underserved area or an energy transition  
10 area, the maximum amount of the credit attributable to  
11 retained employees for the applicant may be increased to an  
12 amount not to exceed 50% of the incremental income tax  
13 attributable to retained employees at the applicant's project;  
14 provided that, in order to receive the increase for retained  
15 employees, the applicant must meet or exceed the statewide  
16 baseline. Credits awarded may include credit earned for  
17 incremental income tax withheld and training costs incurred by  
18 the taxpayer beginning on or after January 1, 2023. Credits so  
19 earned and certified by the Department may be applied against  
20 the tax imposed by subsections (a) and (b) of Section 201 of  
21 the Illinois Income Tax Act for taxable years beginning on or  
22 after January 1, 2025.

23 (c) MICRO Construction Jobs Credit. For construction wages  
24 associated with a project that qualified for a credit under  
25 subsection (b), the taxpayer may receive a tax credit against  
26 the tax imposed under subsections (a) and (b) of Section 201 of

1 the Illinois Income Tax Act in an amount equal to 50% of the  
2 incremental income tax attributable to construction wages paid  
3 in connection with construction of the project facilities, as  
4 a jobs credit for workers hired to construct the project.

5 The MICRO Construction Jobs Credit may not exceed 75% of  
6 the amount of the incremental income tax attributable to  
7 construction wages paid in connection with construction of the  
8 project facilities if the project is in an underserved area or  
9 an energy transition area.

10 (d) The Department shall certify to the Department of  
11 Revenue: (1) the identity of Taxpayers that are eligible for  
12 the MICRO Credit and MICRO Construction Jobs Credit; (2) the  
13 amount of the MICRO Credits and MICRO Construction Jobs  
14 Credits awarded in each calendar year; and (3) the amount of  
15 the MICRO Credit and MICRO Construction Jobs Credit claimed in  
16 each calendar year. MICRO Credits awarded may include credit  
17 earned for Incremental Income Tax withheld and Training Costs  
18 incurred by the Taxpayer beginning on or after January 1,  
19 2023. Credits so earned and certified by the Department may be  
20 applied against the tax imposed by Section 201(a) and (b) of  
21 the Illinois Income Tax Act for taxable years beginning on or  
22 after January 1, 2025.

23 (e) Applicants seeking certification for a tax credits  
24 related to the construction of the project facilities in the  
25 State shall require the contractor to enter into a project  
26 labor agreement that conforms with the Project Labor

1 Agreements Act.

2 (f) Any applicant issued a certificate for a tax credit or  
3 tax exemption under this Act must annually report to the  
4 Department the total project tax benefits received. Reports  
5 are due no later than May 31 of each year and shall cover the  
6 previous calendar year. The first report is for the 2023  
7 calendar year and is due no later than May 31, 2023.

8 (g) Nothing in this Act shall prohibit an award of credit  
9 to an applicant that uses a PEO if all other award criteria are  
10 satisfied.

11 (h) With respect to any portion of a Credit that is based  
12 on the incremental income tax attributable to new employees or  
13 retained employees, in lieu of the Credit allowed under this  
14 Act against the taxes imposed pursuant to subsections (a) and  
15 (b) of Section 201 of the Illinois Income Tax Act, a taxpayer  
16 that otherwise meets the criteria set forth in this Section,  
17 the taxpayer may elect to claim the credit, on or after January  
18 1, 2025, against its obligation to pay over withholding under  
19 Section 704A of the Illinois Income Tax Act. The election  
20 shall be made in the manner prescribed by the Department of  
21 Revenue and once made shall be irrevocable.

22 Section 110-35. Relocation of jobs in Illinois. A taxpayer  
23 is not entitled to claim a credit provided by this Act with  
24 respect to any jobs that the Taxpayer relocates from one site  
25 in Illinois to another site in Illinois. Any full-time

1 employee relocated to Illinois in connection with a qualifying  
2 project is deemed to be a new employee for purposes of this  
3 Act. Determinations under this Section shall be made by the  
4 Department.

5 Section 110-40. Amount and duration of the credits;  
6 limitation to amount of costs of specified items. The  
7 Department shall determine the amount and duration of the  
8 credit awarded under this Act, subject to the limitations set  
9 forth in this Act. For a project that qualified under  
10 paragraph (1), (2), or (4) of subsection (c) of Section  
11 110-20, the duration of the credit may not exceed 15 taxable  
12 years. For project that qualified under paragraph (3) of  
13 subsection (c) of Section 110-20, the duration of the credit  
14 may not exceed 10 taxable years. The credit may be stated as a  
15 percentage of the incremental income tax and training costs  
16 attributable to the applicant's project and may include a  
17 fixed dollar limitation.

18 Nothing in this Section shall prevent the Department, in  
19 consultation with the Department of Revenue, from adopting  
20 rules to extend the sunset of any earned, existing, and unused  
21 tax credit or credits a taxpayer may be in possession of.

22 Section 110-45. Contents of agreements with applicants.

23 (a) The Department shall enter into an agreement with an  
24 applicant that is awarded a credit under this Act. The



1 agreement shall include all of the following:

2 (1) A detailed description of the project that is the  
3 subject of the agreement, including the location and  
4 amount of the investment and jobs created or retained.

5 (2) The duration of the credit, the first taxable year  
6 for which the credit may be awarded, and the first taxable  
7 year in which the credit may be used by the taxpayer.

8 (3) The credit amount that will be allowed for each  
9 taxable year.

10 (4) For a project qualified under paragraphs (1), (2),  
11 or (4) of subsection (c) of Section 110-20, a requirement  
12 that the taxpayer shall maintain operations at the project  
13 location a minimum number of years not to exceed 15. For  
14 project qualified under paragraph (3) of subsection (c) of  
15 Section 110-20, a requirement that the taxpayer shall  
16 maintain operations at the project location a minimum  
17 number of years not to exceed 10.

18 (5) A specific method for determining the number of  
19 new employees and, if applicable, retained employees,  
20 employed during a taxable year.

21 (6) A requirement that the taxpayer shall annually  
22 report to the Department the number of new employees, the  
23 incremental income tax withheld in connection with the new  
24 employees, and any other information the Department deems  
25 necessary and appropriate to perform its duties under this  
26 Act.

1           (7) A requirement that the Director is authorized to  
2 verify with the appropriate State agencies the amounts  
3 reported under paragraph (6), and after doing so shall  
4 issue a certificate to the taxpayer stating that the  
5 amounts have been verified.

6           (8) A requirement that the taxpayer shall provide  
7 written notification to the Director not more than 30 days  
8 after the taxpayer makes or receives a proposal that would  
9 transfer the taxpayer's State tax liability obligations to  
10 a successor taxpayer.

11           (9) A detailed description of the number of new  
12 employees to be hired, and the occupation and payroll of  
13 full-time jobs to be created or retained because of the  
14 project.

15           (10) The minimum investment the taxpayer will make in  
16 capital improvements, the time period for placing the  
17 property in service, and the designated location in  
18 Illinois for the investment.

19           (11) A requirement that the taxpayer shall provide  
20 written notification to the Director and the Director's  
21 designee not more than 30 days after the taxpayer  
22 determines that the minimum job creation or retention,  
23 employment payroll, or investment no longer is or will be  
24 achieved or maintained as set forth in the terms and  
25 conditions of the agreement. Additionally, the  
26 notification should outline to the Department the number

1 of layoffs, date of the layoffs, and detail taxpayer's  
2 efforts to provide career and training counseling for the  
3 impacted workers with industry-related certifications and  
4 trainings.

5 (12) A provision that, if the total number of new  
6 employees falls below a specified level, the allowance of  
7 credit shall be suspended until the number of new  
8 employees equals or exceeds the agreement amount.

9 (13) If applicable, a provision that specifies the  
10 statewide baseline at the time of application for retained  
11 employees. Additionally, the agreement must have a  
12 provision addressing if the total number retained  
13 employees falls below the statewide baseline, the  
14 allowance of the credit shall be suspended until the  
15 number of retained employees equals or exceeds the  
16 agreement amount.

17 (14) A detailed description of the items for which the  
18 costs incurred by the Taxpayer will be included in the  
19 limitation on the Credit.

20 (15) A provision stating that if the taxpayer fails to  
21 meet either the investment or job creation and retention  
22 requirements specified in the agreement during the entire  
23 5-year period beginning on the first day of the first  
24 taxable year in which the agreement is executed and ending  
25 on the last day of the fifth taxable year after the  
26 agreement is executed, then the agreement is automatically

1 terminated on the last day of the fifth taxable year after  
2 the agreement is executed, and the taxpayer is not  
3 entitled to the award of any credits for any of that 5-year  
4 period.

5 (16) A provision stating that if the taxpayer ceases  
6 principal operations with the intent to permanently shut  
7 down the project in the State during the term of the  
8 Agreement, then the entire credit amount awarded to the  
9 taxpayer prior to the date the taxpayer ceases principal  
10 operations shall be returned to the Department and shall  
11 be reallocated to the local workforce investment area in  
12 which the project was located.

13 (17) A provision stating that the Taxpayer must  
14 provide the reports outlined in Sections 110-50 and 110-55  
15 on or before April 15 each year.

16 (18) A provision requiring the taxpayer to report  
17 annually its contractual obligations or otherwise with a  
18 recycling facility for its operations.

19 (19) Any other performance conditions or contract  
20 provisions the Department determines are necessary or  
21 appropriate.

22 (20) Each taxpayer under paragraph (1) of subsection  
23 (c) of Section 110-20 above shall maintain labor  
24 neutrality toward any union organizing campaign for any  
25 employees of the taxpayer assigned to work on the premises  
26 of the project. This paragraph shall not apply to a

1 manufacturer who is subject to collective bargaining  
2 agreement entered into prior to the taxpayer filing an  
3 application pursuant to this Act.

4 (b) The Department shall post on its website the terms of  
5 each agreement entered into under this Act. Such information  
6 shall be posted within 10 days after entering into the  
7 agreement and must include the following:

8 (1) the name of the taxpayer;

9 (2) the location of the project;

10 (3) the estimated value of the credit;

11 (4) the number of new employee jobs and, if  
12 applicable, number of retained employee jobs at the  
13 project; and

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

16 Section 110-50. Diversity report on the taxpayer's  
17 workforce, board of directors, and vendors.

18 (a) Each taxpayer with a workforce of 100 or more  
19 employees and with an agreement for a credit under this Act  
20 shall, starting on April 15, 2026, and every year thereafter  
21 prior to April 15, for which the Taxpayer has an Agreement  
22 under this Act, submit to the Department an annual report  
23 detailing the diversity of the taxpayer's own workforce,  
24 including full-time and part-time employees, contractors, and  
25 board of directors' membership. Any taxpayer seeking to claim

1 a credit under this Act that fails to timely submit the  
2 required report shall not receive a credit for that taxable  
3 year unless and until such report is finalized and submitted  
4 to the Department. The report should also address the  
5 Taxpayer's best efforts to meet or exceed the recruitment and  
6 hiring plan outlined in the application referenced in Section  
7 110-20. Those reports shall be submitted in the form and  
8 manner required by the Department.

9 (b) Vendor diversity and annual report. Each taxpayer with  
10 a workforce of 100 or more full-time employees shall, starting  
11 on April 15, 2025 and every year thereafter for which the  
12 taxpayer has an Agreement under this Act, report on the  
13 diversity of the vendors that it utilizes, for publication on  
14 the Department's website, and include the following  
15 information:

16 (1) a point of contact for potential vendors to  
17 register with the taxpayer's project;

18 (2) certifications that the taxpayer accepts or  
19 recognizes for minority and women-owned businesses as  
20 entities;

21 (3) the taxpayer's goals to contract with diverse  
22 vendors, if any, for the next fiscal year for the entire  
23 budget of the taxpayer's project;

24 (4) for the last fiscal year, the actual contractual  
25 spending for the entire budget of the project and the  
26 actual spending for minority-owned businesses and

1 women-owned businesses, expressed as a percentage of the  
2 total budget for actual spending for the project;

3 (5) a narrative explaining the results of the report  
4 and the taxpayer's plan to address the voluntary goals for  
5 the next fiscal year; and

6 (6) a copy of the taxpayer's submission of vendor  
7 diversity information to the federal government, including  
8 but not limited to vendor diversity goals and actual  
9 contractual spending for minority-and women-owned  
10 businesses, if the Taxpayer is a federal contractor and is  
11 required by the federal government to submit such  
12 information.

13 Section 110-55. Sexual harassment policy report. Each  
14 taxpayer claiming a credit under this Act shall, prior to  
15 April 15 of each taxable year for which the taxpayer claims a  
16 credit under this Act, submit to the Department a report  
17 detailing that taxpayer's sexual harassment policy, which  
18 contains, at a minimum, the following information: (i) the  
19 illegality of sexual harassment; (ii) the definition of sexual  
20 harassment under State law; (iii) a description of sexual  
21 harassment, utilizing examples; (iv) the vendor's internal  
22 complaint process, including penalties; (v) the legal recourse  
23 and investigative and complaint processes available through  
24 the Department; (vi) directions on how to contact the  
25 Department; and (vii) protection against retaliation as

1 provided by Section 6-101 of the Illinois Human Rights Act. A  
2 copy of the policy shall be provided to the Department upon  
3 request. The reports required under this Section shall be  
4 submitted in a form and manner determined by the Department.

5 Section 110-60. Certificate of verification; submission to  
6 the Department of Revenue.

7 (a) A taxpayer claiming a credit under this Act shall  
8 submit to the Department of Revenue a copy of the Director's  
9 certificate of verification under this Act for the taxable  
10 year. However, failure to submit a copy of the certificate  
11 with the taxpayer's tax return shall not invalidate a claim  
12 for a credit.

13 (b) For a taxpayer to be eligible for a certificate of  
14 verification, the taxpayer shall provide proof as required by  
15 the Department, prior to the end of each calendar year,  
16 including, but not limited to, attestation by the taxpayer  
17 that:

18 (1) The project has achieved the level of new employee  
19 jobs specified in the agreement.

20 (2) The project has achieved the level of annual  
21 payroll in Illinois specified in its agreement.

22 (3) The project has achieved the level of capital  
23 improvements in Illinois specified in its agreement.

24 Section 110-65. Certified payroll.



1           (a) Each contractor and subcontractor that is engaged in  
2 construction work on project facilities for a taxpayer who  
3 seeks to apply for a MICRO Construction Jobs Credit shall:

4           (1) make and keep, for a period of 5 years from the  
5 date of the last payment made on a contract or subcontract  
6 for construction of facilities for a project pursuant to  
7 an agreement, records of all laborers and other workers  
8 employed by the contractor or subcontractor on the  
9 project; the records shall include:

10                   (A) the worker's name;

11                   (B) the worker's address;

12                   (C) the worker's telephone number, if available;

13                   (D) the worker's social security number;

14                   (E) the worker's classification or  
15 classifications;

16                   (F) the worker's gross and net wages paid in each  
17 pay period;

18                   (G) the worker's number of hours worked in each  
19 day;

20                   (H) the worker's starting and ending times of work  
21 each day;

22                   (I) the worker's hourly wage rate; and

23                   (J) the worker's hourly overtime wage rate; and

24           (2) no later than the 15th day of each calendar month,  
25 provide a certified payroll for the immediately preceding  
26 month to the taxpayer in charge of the project; within 5

1 business days after receiving the certified payroll, the  
2 Taxpayer shall file the certified payroll with the  
3 Department of Labor and the Department; a certified  
4 payroll must be filed for only those calendar months  
5 during which construction on the project facilities has  
6 occurred; the certified payroll shall consist of a  
7 complete copy of the records identified in paragraph (1),  
8 but may exclude the starting and ending times of work each  
9 day; the certified payroll shall be accompanied by a  
10 statement signed by the contractor or subcontractor or an  
11 officer, employee, or agent of the contractor or  
12 subcontractor which avers that:

13 (A) he or she has examined the certified payroll  
14 records required to be submitted by the Act and such  
15 records are true and accurate; and

16 (B) the contractor or subcontractor is aware that  
17 filing a certified payroll that he or she knows to be  
18 false is a Class A misdemeanor.

19 A general contractor is not prohibited from relying on a  
20 certified payroll of a lower-tier subcontractor, provided the  
21 general contractor does not knowingly rely upon a  
22 subcontractor's false certification.

23 (b) Any contractor or subcontractor subject to this  
24 Section, and any officer, employee, or agent of such  
25 contractor or subcontractor whose duty as an officer,  
26 employee, or agent it is to file a certified payroll under this

1 Section, who willfully fails to file such a certified payroll,  
2 on or before the date such certified payroll is required to be  
3 filed and any person who willfully files a false certified  
4 payroll as to any material fact is in violation of this Act and  
5 guilty of a Class A misdemeanor and may be enforced by the  
6 Illinois Department of Labor or the Department. The Attorney  
7 General shall represented the Illinois Department of Labor or  
8 the Department in the proceeding.

9 (c) The taxpayer in charge of the project shall keep the  
10 records submitted in accordance with this Section for a period  
11 of 5 years from the date of the last payment for work on a  
12 contract or subcontract for the project.

13 (d) The records submitted in accordance with this Section  
14 shall be considered public records, except an employee's  
15 address, telephone number, and social security number, which  
16 shall be redacted. The records shall be made publicly  
17 available in accordance with the Freedom of Information Act.  
18 The contractor or subcontractor shall submit reports to the  
19 Department of Labor electronically that meet the requirements  
20 of this subsection and shall share the information with the  
21 Department to comply with the awarding of the MICRO  
22 Construction Jobs Credit. A contractor, subcontractor, or  
23 public body may retain records required under this Section in  
24 paper or electronic format.

25 (e) Upon 7 business days' notice, the contractor and each  
26 subcontractor shall make available for inspection and copying

1 at a location within this State during reasonable hours, the  
2 records identified in paragraph (1) of this subsection to the  
3 Taxpayer in charge of the Project, its officers and agents,  
4 the Director of the Department of Labor and his/her deputies  
5 and agents, and to federal, State, or local law enforcement  
6 agencies and prosecutors.

7 Section 110-70. Noncompliance; notice; assessment. If the  
8 Director determines that a taxpayer who has received a credit  
9 under this Act is not complying with the requirements of the  
10 agreement or all of the provisions of this Act, the Director  
11 shall provide notice to the taxpayer of the alleged  
12 noncompliance and allow the taxpayer a hearing under the  
13 provisions of the Illinois Administrative Procedure Act. If,  
14 after such notice and any hearing, the Director determines  
15 that a noncompliance exists, the Director shall issue to the  
16 Department of Revenue notice to that effect, stating the  
17 noncompliance date. If, during the term of an agreement, the  
18 taxpayer ceases operations at a project location that is the  
19 subject of that agreement with the intent to terminate  
20 operations in the State, the Department and the Department of  
21 Revenue shall recapture from the taxpayer the entire credit  
22 amount awarded under that agreement prior to the date the  
23 taxpayer ceases operations. The Department shall, subject to  
24 appropriation, reallocate the recaptured amounts within 6  
25 months to the local workforce investment area in which the

1 project was located for purposes of workforce development,  
2 expanded opportunities for unemployed persons, and expanded  
3 opportunities for women and minority persons in the workforce.  
4 The taxpayer will be ineligible for future funding under other  
5 State tax credit or exemption programs for a 36-month period.  
6 Noncompliance of the agreement with result in a default of  
7 other agreements for State tax credits and exemption programs  
8 for the project.

9 Section 110-75. Annual report.

10 (a) On or before July 1 each year, the Department shall  
11 submit a report on the tax credit program under this Act to the  
12 Governor and the General Assembly. The report shall include  
13 information on the number of agreements that were entered into  
14 under this Act during the preceding calendar year, a  
15 description of the project that is the subject of each  
16 agreement, an update on the status of projects under  
17 agreements entered into before the preceding calendar year,  
18 and the sum of the credits awarded under this Act. A copy of  
19 the report shall be delivered to the Governor and to each  
20 member of the General Assembly.

21 (b) The report must include, for each agreement:

22 (1) the original estimates of the value of the credit  
23 and the number of new employee jobs to be created and, if  
24 applicable, the number of retained employee jobs;

25 (2) any relevant modifications to existing agreements;

1           (3) a statement of the progress made by each taxpayer  
2           in meeting the terms of the original agreement;

3           (4) a statement of wages paid to new employees and, if  
4           applicable, retained employees in the State; and

5           (5) a copy of the original agreement or link to the  
6           agreement on the Department's website.

7           Section 110-80. Evaluation of tax credit program. The  
8           Department shall evaluate the tax credit program every three  
9           years and issue a report. The evaluation shall include an  
10          assessment of the effectiveness of the program in creating new  
11          jobs in Illinois and of the revenue impact of the program and  
12          may include a review of the practices and experiences of other  
13          states with similar programs. The Director shall submit a  
14          report on the evaluation to the Governor and the General  
15          Assembly three years after the Effective Date of the Act and  
16          every three years thereafter.

17          Section 110-85. Sunset of new agreements. The Department  
18          shall not enter into any new Agreements under the provisions  
19          of this Act after December 31, 2028.

20          Section 110-95. Utility tax exemptions for MICRO projects.  
21          The Department may certify a taxpayer with a credit for a  
22          project that meets the qualifications under paragraphs (1),  
23          (2), and (4) of subsection (c) of Section 110-20, subject to an

1 agreement under this Act, for an exemption from the tax  
2 imposed at the project site by Section 2-4 of the Electricity  
3 Excise Tax Law. To receive such certification, the taxpayer  
4 must be registered to self-assess that tax. The taxpayer is  
5 also exempt from any additional charges added to the  
6 taxpayer's utility bills at the project site as a pass-on of  
7 State utility taxes under Section 9-222 of the Public  
8 Utilities Act. The taxpayer must meet any other the criteria  
9 for certification set by the Department.

10 The Department shall determine the period during which the  
11 exemption from the Electricity Excise Tax Law and the charges  
12 imposed under Section 9-222 of the Public Utilities Act are in  
13 effect, which shall not exceed 10 years from the date of the  
14 taxpayer's initial receipt of certification from the  
15 Department under this Section.

16 The Department is authorized to adopt rules to carry out  
17 the provisions of this Section, including procedures to apply  
18 for the exemptions; to define the amounts and types of  
19 eligible investments that an applicant must make in order to  
20 receive electricity excise tax exemptions or exemptions from  
21 the additional charges imposed under Section 9-222 and the  
22 Public Utilities Act; to approve such electricity excise tax  
23 exemptions for applicants whose investments are not yet placed  
24 in service; and to require that an applicant granted an  
25 electricity excise tax exemption or an exemption from  
26 additional charges under Section 9-222 of the Public Utilities

1 Act repay the exempted amount if the Applicant fails to comply  
2 with the terms and conditions of the agreement.

3 Upon certification by the Department under this Section,  
4 the Department shall notify the Department of Revenue of the  
5 certification. The Department of Revenue shall notify the  
6 public utilities of the exempt status of any taxpayer  
7 certified for exemption under this Act from the electricity  
8 excise tax or pass-on charges. The exemption status shall take  
9 effect within 3 months after certification of the taxpayer and  
10 notice to the Department of Revenue by the Department.

11 Section 110-100. Investment tax credits for MICRO  
12 projects. Subject to the conditions set forth in this Act, a  
13 Taxpayer is entitled to an investment tax credit toward taxes  
14 imposed pursuant to subsections (a) and (b) of Section 201 of  
15 the Illinois Income Tax Act for a taxable year in which the  
16 Taxpayer, in accordance with an Agreement under this Act for  
17 that taxable year, invests in qualified property which is  
18 placed in service at the site of a project. The Department has  
19 authority to certify the amount of such investment tax credits  
20 to the Department of Revenue. The credit shall be 0.5% of the  
21 basis for such property and shall be determined in accordance  
22 with Section 239 of the Illinois Income Tax Act. The credit  
23 shall be available only in the taxable year in which the  
24 property is placed in service and shall not be allowed to the  
25 extent that it would reduce a taxpayer's liability for the tax



1 imposed by subsections (a) and (b) of Section 201 of the  
2 Illinois Income Tax Act to below zero. Unused credit may be  
3 carried forward in accordance with Section 239 of the Illinois  
4 Income Tax Act for use in future taxable years. Any taxpayer  
5 qualifying for the Investment Tax Credit shall not be eligible  
6 for either the investment tax credits in Section 201(e), (f),  
7 or (h) of the Illinois Income Tax Act.

8 Section 110-105. Building materials exemptions for project  
9 sites.

10 (a) The Department may certify a Taxpayer with a project  
11 that meets the qualifications under paragraphs (1), (2), or  
12 (4) of subsection (c) of Section 110-20, subject to an  
13 agreement under this Act, for an exemption from any State or  
14 local use tax or retailers' occupation tax on building  
15 materials for the construction of its project facilities. The  
16 taxpayer must meet any criteria for certification set by the  
17 Department under this Act.

18 The Department shall determine the period during which the  
19 exemption from State and local use tax and retailers'  
20 occupation tax are in effect, but in no event shall exceed 5  
21 years in accordance with Section 5m of the Retailers'  
22 Occupation Tax Act.

23 The Department is authorized to promulgate rules and  
24 regulations to carry out the provisions of this Section,  
25 including procedures to apply for the exemption; to define the

1 amounts and types of eligible investments that an applicant  
2 must make in order to receive tax exemption; to approve such  
3 tax exemption for an applicant whose investments are not yet  
4 placed in service; and to require that an applicant granted  
5 exemption repay the exempted amount if the applicant fails to  
6 comply with the terms and conditions of the agreement with the  
7 Department.

8       Upon certification by the Department under this Section,  
9 the Department shall notify the Department of Revenue of the  
10 certification. The exemption status shall take effect within 3  
11 months after certification of the taxpayer and notice to the  
12 Department of Revenue by the Department.

13       Section 110-905. The Illinois Income Tax Act is amended by  
14 changing Section 704A and by adding Sections 238 and 239 as  
15 follows:

16       (35 ILCS 5/238 new)

17       Sec. 238. MICRO credits.

18       (a) For tax years beginning on or after January 1, 2025, a  
19 taxpayer who has entered into an agreement under the  
20 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act  
21 is entitled to a credit against the taxes imposed under  
22 subsections (a) and (b) of Section 201 of this Act in an amount  
23 to be determined in the Agreement. The taxpayer may elect to  
24 claim the credit, on or after January 1, 2026, against its

1 obligation to pay over withholding under Section 704A of this  
2 Act as provided in this Section. If the taxpayer is a  
3 partnership or Subchapter S corporation, the credit shall be  
4 allowed to the partners or shareholders in accordance with the  
5 determination of income and distributive share of income under  
6 Sections 702 and 704 and subchapter S of the Internal Revenue  
7 Code. The Department, in cooperation with the Department of  
8 Commerce and Economic Opportunity, shall adopt rules to  
9 enforce and administer the provisions of this Section. This  
10 Section is exempt from the provisions of Section 250 of this  
11 Act.

12 (b) The credit is subject to the conditions set forth in  
13 the agreement and the following limitations:

14 (1) The tax credit may be in the form of either or both  
15 the MICRO Illinois Credit or the MICRO Construction Jobs  
16 Credit and shall not exceed the percentage of incremental  
17 income tax and percentage of training costs permitted in  
18 that Act and in the agreement with respect to the project.

19 (2) The amount of the credit allowed during a tax year  
20 plus the sum of all amounts allowed in prior tax years  
21 shall not exceed the maximum amount of credit established  
22 in the agreement.

23 (3) The amount of the credit shall be determined on an  
24 annual basis. Except as applied in a carryover year  
25 pursuant to paragraph (4), the credit may not be applied  
26 against any State income tax liability in more than 15

1       taxable years.

2       (4) The credit may not exceed the amount of taxes  
3       imposed pursuant to subsections (a) and (b) of Section 201  
4       of this Act. Any credit that is unused in the year the  
5       credit is computed may be carried forward and applied to  
6       the tax liability of the 5 taxable years following the  
7       excess credit year. The credit shall be applied to the  
8       earliest year for which there is a tax liability. If there  
9       are credits from more than one tax year that are available  
10       to offset a liability, the earlier credit shall be applied  
11       first.

12       (5) No credit shall be allowed with respect to any  
13       agreement for any taxable year ending after the  
14       noncompliance date. Upon receiving notification by the  
15       Department of Commerce and Economic Opportunity of the  
16       noncompliance of a taxpayer with an agreement, the  
17       Department shall notify the taxpayer that no credit is  
18       allowed with respect to that agreement for any taxable  
19       year ending after the noncompliance date, as stated in  
20       such notification. If any credit has been allowed with  
21       respect to an agreement for a taxable year ending after  
22       the noncompliance date for that agreement, any refund paid  
23       to the taxpayer for that taxable year shall, to the extent  
24       of that credit allowed, be an erroneous refund within the  
25       meaning of Section 912 of this Act.

26       If, during any taxable year, a taxpayer ceases

1 operations at a project location that is the subject of  
2 that agreement with the intent to terminate operations in  
3 the State, the tax imposed under subsections (a) and (b)  
4 of Section 201 of this Act for such taxable year shall be  
5 increased by the amount of any credit allowed under the  
6 Agreement for that Project location prior to the date the  
7 Taxpayer ceases operations.

8 (6) Instead of claiming the credit against the taxes  
9 imposed under subsections (a) and (b) of Section 201 of  
10 this Act, with respect to the portion of a MICRO Illinois  
11 credit that is calculated based on the Incremental Income  
12 Tax attributable to new employees and retained employees,  
13 the taxpayer may elect, in accordance with the  
14 Manufacturing Illinois Chips for Real Opportunity (MICRO)  
15 Act, to claim the credit, on or after January 1, 2026,  
16 against its obligation to pay over withholding under  
17 Section 704A of the Illinois Income Tax Act. Any credit  
18 for which a Taxpayer makes such an election shall not be  
19 claimed against the taxes imposed under subsections (a)  
20 and (b) of Section 201 of this Act.

21 (35 ILCS 5/239 new)

22 Sec. 239. MICRO Investment Tax credits.

23 (a) For tax years beginning on or after January 1, 2025, a  
24 taxpayer shall be allowed a credit against the tax imposed by  
25 subsections (a) and (b) of Section 201 for investment in

1 qualified property which is placed in service at the site of a  
2 project that is subject to an agreement between the taxpayer  
3 and the Department of Commerce and Economic Opportunity  
4 pursuant to the Manufacturing Illinois Chips for Real  
5 Opportunity (MICRO) Act. If the taxpayer is a partnership or a  
6 Subchapter S corporation, the credit shall be allowed to the  
7 partners or shareholders in accordance with the determination  
8 of income and distributive share of income under Sections 702  
9 and 704 and subchapter S of the Internal Revenue Code. The  
10 credit shall be 0.5% of the basis for such property. The credit  
11 shall be available only in the taxable year in which the  
12 property is placed in service and shall not be allowed to the  
13 extent that it would reduce a taxpayer's liability for the tax  
14 imposed by subsections (a) and (b) of Section 201 to below  
15 zero. The credit shall be allowed for the tax year in which the  
16 property is placed in service, or, if the amount of the credit  
17 exceeds the tax liability for that year, whether it exceeds  
18 the original liability or the liability as later amended, such  
19 excess may be carried forward and applied to the tax liability  
20 of the 5 taxable years following the excess credit year. The  
21 credit shall be applied to the earliest year for which there is  
22 a liability. If there is credit from more than one tax year  
23 that is available to offset a liability, the credit accruing  
24 first in time shall be applied first.

25 (b) The term qualified property means property which:

26 (1) is tangible, whether new or used, including

1 buildings and structural components of buildings;

2 (2) is depreciable pursuant to Section 167 of the  
3 Internal Revenue Code, except that "3-year property" as  
4 defined in Section 168(c)(2)(A) of that Code is not  
5 eligible for the credit provided by this Section;

6 (3) is acquired by purchase as defined in Section  
7 179(d) of the Internal Revenue Code;

8 (4) is used at the site of the MICRO Illinois project  
9 by the taxpayer; and

10 (5) has not been previously used in Illinois in such a  
11 manner and by such a person as would qualify for the credit  
12 provided by this Section.

13 (c) The basis of qualified property shall be the basis  
14 used to compute the depreciation deduction for federal income  
15 tax purposes.

16 (d) If the basis of the property for federal income tax  
17 depreciation purposes is increased after it has been placed in  
18 service at the site of the project by the taxpayer, the amount  
19 of such increase shall be deemed property placed in service on  
20 the date of such increase in basis.

21 (e) The term "placed in service" shall have the same  
22 meaning as under Section 46 of the Internal Revenue Code.

23 (f) If during any taxable year, any property ceases to be  
24 qualified property in the hands of the taxpayer within 48  
25 months after being placed in service, or the situs of any  
26 qualified property is moved from the project site within 48

1 months after being placed in service, the tax imposed under  
2 subsections (a) and (b) of Section 201 for such taxable year  
3 shall be increased. Such increase shall be determined by (i)  
4 recomputing the investment credit which would have been  
5 allowed for the year in which credit for such property was  
6 originally allowed by eliminating such property from such  
7 computation, and (ii) subtracting such recomputed credit from  
8 the amount of credit previously allowed. For the purposes of  
9 this subsection (f), a reduction of the basis of qualified  
10 property resulting from a redetermination of the purchase  
11 price shall be deemed a disposition of qualified property to  
12 the extent of such reduction.

13 (35 ILCS 5/704A)

14 Sec. 704A. Employer's return and payment of tax withheld.

15 (a) In general, every employer who deducts and withholds  
16 or is required to deduct and withhold tax under this Act on or  
17 after January 1, 2008 shall make those payments and returns as  
18 provided in this Section.

19 (b) Returns. Every employer shall, in the form and manner  
20 required by the Department, make returns with respect to taxes  
21 withheld or required to be withheld under this Article 7 for  
22 each quarter beginning on or after January 1, 2008, on or  
23 before the last day of the first month following the close of  
24 that quarter.

25 (c) Payments. With respect to amounts withheld or required



1 to be withheld on or after January 1, 2008:

2 (1) Semi-weekly payments. For each calendar year, each  
3 employer who withheld or was required to withhold more  
4 than \$12,000 during the one-year period ending on June 30  
5 of the immediately preceding calendar year, payment must  
6 be made:

7 (A) on or before each Friday of the calendar year,  
8 for taxes withheld or required to be withheld on the  
9 immediately preceding Saturday, Sunday, Monday, or  
10 Tuesday;

11 (B) on or before each Wednesday of the calendar  
12 year, for taxes withheld or required to be withheld on  
13 the immediately preceding Wednesday, Thursday, or  
14 Friday.

15 Beginning with calendar year 2011, payments made under  
16 this paragraph (1) of subsection (c) must be made by  
17 electronic funds transfer.

18 (2) Semi-weekly payments. Any employer who withholds  
19 or is required to withhold more than \$12,000 in any  
20 quarter of a calendar year is required to make payments on  
21 the dates set forth under item (1) of this subsection (c)  
22 for each remaining quarter of that calendar year and for  
23 the subsequent calendar year.

24 (3) Monthly payments. Each employer, other than an  
25 employer described in items (1) or (2) of this subsection,  
26 shall pay to the Department, on or before the 15th day of

1 each month the taxes withheld or required to be withheld  
2 during the immediately preceding month.

3 (4) Payments with returns. Each employer shall pay to  
4 the Department, on or before the due date for each return  
5 required to be filed under this Section, any tax withheld  
6 or required to be withheld during the period for which the  
7 return is due and not previously paid to the Department.

8 (d) Regulatory authority. The Department may, by rule:

9 (1) Permit employers, in lieu of the requirements of  
10 subsections (b) and (c), to file annual returns due on or  
11 before January 31 of the year for taxes withheld or  
12 required to be withheld during the previous calendar year  
13 and, if the aggregate amounts required to be withheld by  
14 the employer under this Article 7 (other than amounts  
15 required to be withheld under Section 709.5) do not exceed  
16 \$1,000 for the previous calendar year, to pay the taxes  
17 required to be shown on each such return no later than the  
18 due date for such return.

19 (2) Provide that any payment required to be made under  
20 subsection (c)(1) or (c)(2) is deemed to be timely to the  
21 extent paid by electronic funds transfer on or before the  
22 due date for deposit of federal income taxes withheld  
23 from, or federal employment taxes due with respect to, the  
24 wages from which the Illinois taxes were withheld.

25 (3) Designate one or more depositories to which  
26 payment of taxes required to be withheld under this

1 Article 7 must be paid by some or all employers.

2 (4) Increase the threshold dollar amounts at which  
3 employers are required to make semi-weekly payments under  
4 subsection (c)(1) or (c)(2).

5 (e) Annual return and payment. Every employer who deducts  
6 and withholds or is required to deduct and withhold tax from a  
7 person engaged in domestic service employment, as that term is  
8 defined in Section 3510 of the Internal Revenue Code, may  
9 comply with the requirements of this Section with respect to  
10 such employees by filing an annual return and paying the taxes  
11 required to be deducted and withheld on or before the 15th day  
12 of the fourth month following the close of the employer's  
13 taxable year. The Department may allow the employer's return  
14 to be submitted with the employer's individual income tax  
15 return or to be submitted with a return due from the employer  
16 under Section 1400.2 of the Unemployment Insurance Act.

17 (f) Magnetic media and electronic filing. With respect to  
18 taxes withheld in calendar years prior to 2017, any W-2 Form  
19 that, under the Internal Revenue Code and regulations  
20 promulgated thereunder, is required to be submitted to the  
21 Internal Revenue Service on magnetic media or electronically  
22 must also be submitted to the Department on magnetic media or  
23 electronically for Illinois purposes, if required by the  
24 Department.

25 With respect to taxes withheld in 2017 and subsequent  
26 calendar years, the Department may, by rule, require that any

1 return (including any amended return) under this Section and  
2 any W-2 Form that is required to be submitted to the Department  
3 must be submitted on magnetic media or electronically.

4 The due date for submitting W-2 Forms shall be as  
5 prescribed by the Department by rule.

6 (g) For amounts deducted or withheld after December 31,  
7 2009, a taxpayer who makes an election under subsection (f) of  
8 Section 5-15 of the Economic Development for a Growing Economy  
9 Tax Credit Act for a taxable year shall be allowed a credit  
10 against payments due under this Section for amounts withheld  
11 during the first calendar year beginning after the end of that  
12 taxable year equal to the amount of the credit for the  
13 incremental income tax attributable to full-time employees of  
14 the taxpayer awarded to the taxpayer by the Department of  
15 Commerce and Economic Opportunity under the Economic  
16 Development for a Growing Economy Tax Credit Act for the  
17 taxable year and credits not previously claimed and allowed to  
18 be carried forward under Section 211(4) of this Act as  
19 provided in subsection (f) of Section 5-15 of the Economic  
20 Development for a Growing Economy Tax Credit Act. The credit  
21 or credits may not reduce the taxpayer's obligation for any  
22 payment due under this Section to less than zero. If the amount  
23 of the credit or credits exceeds the total payments due under  
24 this Section with respect to amounts withheld during the  
25 calendar year, the excess may be carried forward and applied  
26 against the taxpayer's liability under this Section in the

1 succeeding calendar years as allowed to be carried forward  
2 under paragraph (4) of Section 211 of this Act. The credit or  
3 credits shall be applied to the earliest year for which there  
4 is a tax liability. If there are credits from more than one  
5 taxable year that are available to offset a liability, the  
6 earlier credit shall be applied first. Each employer who  
7 deducts and withholds or is required to deduct and withhold  
8 tax under this Act and who retains income tax withholdings  
9 under subsection (f) of Section 5-15 of the Economic  
10 Development for a Growing Economy Tax Credit Act must make a  
11 return with respect to such taxes and retained amounts in the  
12 form and manner that the Department, by rule, requires and pay  
13 to the Department or to a depository designated by the  
14 Department those withheld taxes not retained by the taxpayer.  
15 For purposes of this subsection (g), the term taxpayer shall  
16 include taxpayer and members of the taxpayer's unitary  
17 business group as defined under paragraph (27) of subsection  
18 (a) of Section 1501 of this Act. This Section is exempt from  
19 the provisions of Section 250 of this Act. No credit awarded  
20 under the Economic Development for a Growing Economy Tax  
21 Credit Act for agreements entered into on or after January 1,  
22 2015 may be credited against payments due under this Section.

23 (g-1) For amounts deducted or withheld after December 31,  
24 2024, a taxpayer who makes an election under the Reimagining  
25 Electric Vehicles in Illinois Act shall be allowed a credit  
26 against payments due under this Section for amounts withheld

1 during the first quarterly reporting period beginning after  
2 the certificate is issued equal to the portion of the REV  
3 Illinois Credit attributable to the incremental income tax  
4 attributable to new employees and retained employees as  
5 certified by the Department of Commerce and Economic  
6 Opportunity pursuant to an agreement with the taxpayer under  
7 the Reimagining Electric Vehicles in Illinois Act for the  
8 taxable year. The credit or credits may not reduce the  
9 taxpayer's obligation for any payment due under this Section  
10 to less than zero. If the amount of the credit or credits  
11 exceeds the total payments due under this Section with respect  
12 to amounts withheld during the quarterly reporting period, the  
13 excess may be carried forward and applied against the  
14 taxpayer's liability under this Section in the succeeding  
15 quarterly reporting period as allowed to be carried forward  
16 under paragraph (4) of Section 211 of this Act. The credit or  
17 credits shall be applied to the earliest quarterly reporting  
18 period for which there is a tax liability. If there are credits  
19 from more than one quarterly reporting period that are  
20 available to offset a liability, the earlier credit shall be  
21 applied first. Each employer who deducts and withholds or is  
22 required to deduct and withhold tax under this Act and who  
23 retains income tax withholdings this subsection must make a  
24 return with respect to such taxes and retained amounts in the  
25 form and manner that the Department, by rule, requires and pay  
26 to the Department or to a depository designated by the

1 Department those withheld taxes not retained by the taxpayer.  
2 For purposes of this subsection (g-1), the term taxpayer shall  
3 include taxpayer and members of the taxpayer's unitary  
4 business group as defined under paragraph (27) of subsection  
5 (a) of Section 1501 of this Act. This Section is exempt from  
6 the provisions of Section 250 of this Act.

7 (g-2) For amounts deducted or withheld after December 31,  
8 2024, a taxpayer who makes an election under the Manufacturing  
9 Illinois Chips for Real Opportunity (MICRO) Act shall be  
10 allowed a credit against payments due under this Section for  
11 amounts withheld during the first quarterly reporting period  
12 beginning after the certificate is issued equal to the portion  
13 of the MICRO Illinois Credit attributable to the incremental  
14 income tax attributable to new employees and retained  
15 employees as certified by the Department of Commerce and  
16 Economic Opportunity pursuant to an agreement with the  
17 taxpayer under the Manufacturing Illinois Chips for Real  
18 Opportunity (MICRO) Act for the taxable year. The credit or  
19 credits may not reduce the taxpayer's obligation for any  
20 payment due under this Section to less than zero. If the amount  
21 of the credit or credits exceeds the total payments due under  
22 this Section with respect to amounts withheld during the  
23 quarterly reporting period, the excess may be carried forward  
24 and applied against the taxpayer's liability under this  
25 Section in the succeeding quarterly reporting period as  
26 allowed to be carried forward under paragraph (4) of Section

1 211 of this Act. The credit or credits shall be applied to the  
2 earliest quarterly reporting period for which there is a tax  
3 liability. If there are credits from more than one quarterly  
4 reporting period that are available to offset a liability, the  
5 earlier credit shall be applied first. Each employer who  
6 deducts and withholds or is required to deduct and withhold  
7 tax under this Act and who retains income tax withholdings  
8 this subsection must make a return with respect to such taxes  
9 and retained amounts in the form and manner that the  
10 Department, by rule, requires and pay to the Department or to a  
11 depository designated by the Department those withheld taxes  
12 not retained by the taxpayer. For purposes of this subsection,  
13 the term taxpayer shall include taxpayer and members of the  
14 taxpayer's unitary business group as defined under paragraph  
15 (27) of subsection (a) of Section 1501 of this Act. This  
16 Section is exempt from the provisions of Section 250 of this  
17 Act.

18 (h) An employer may claim a credit against payments due  
19 under this Section for amounts withheld during the first  
20 calendar year ending after the date on which a tax credit  
21 certificate was issued under Section 35 of the Small Business  
22 Job Creation Tax Credit Act. The credit shall be equal to the  
23 amount shown on the certificate, but may not reduce the  
24 taxpayer's obligation for any payment due under this Section  
25 to less than zero. If the amount of the credit exceeds the  
26 total payments due under this Section with respect to amounts



1 withheld during the calendar year, the excess may be carried  
2 forward and applied against the taxpayer's liability under  
3 this Section in the 5 succeeding calendar years. The credit  
4 shall be applied to the earliest year for which there is a tax  
5 liability. If there are credits from more than one calendar  
6 year that are available to offset a liability, the earlier  
7 credit shall be applied first. This Section is exempt from the  
8 provisions of Section 250 of this Act.

9 (i) Each employer with 50 or fewer full-time equivalent  
10 employees during the reporting period may claim a credit  
11 against the payments due under this Section for each qualified  
12 employee in an amount equal to the maximum credit allowable.  
13 The credit may be taken against payments due for reporting  
14 periods that begin on or after January 1, 2020, and end on or  
15 before December 31, 2027. An employer may not claim a credit  
16 for an employee who has worked fewer than 90 consecutive days  
17 immediately preceding the reporting period; however, such  
18 credits may accrue during that 90-day period and be claimed  
19 against payments under this Section for future reporting  
20 periods after the employee has worked for the employer at  
21 least 90 consecutive days. In no event may the credit exceed  
22 the employer's liability for the reporting period. Each  
23 employer who deducts and withholds or is required to deduct  
24 and withhold tax under this Act and who retains income tax  
25 withholdings under this subsection must make a return with  
26 respect to such taxes and retained amounts in the form and

1 manner that the Department, by rule, requires and pay to the  
2 Department or to a depository designated by the Department  
3 those withheld taxes not retained by the employer.

4 For each reporting period, the employer may not claim a  
5 credit or credits for more employees than the number of  
6 employees making less than the minimum or reduced wage for the  
7 current calendar year during the last reporting period of the  
8 preceding calendar year. Notwithstanding any other provision  
9 of this subsection, an employer shall not be eligible for  
10 credits for a reporting period unless the average wage paid by  
11 the employer per employee for all employees making less than  
12 \$55,000 during the reporting period is greater than the  
13 average wage paid by the employer per employee for all  
14 employees making less than \$55,000 during the same reporting  
15 period of the prior calendar year.

16 For purposes of this subsection (i):

17 "Compensation paid in Illinois" has the meaning ascribed  
18 to that term under Section 304(a)(2)(B) of this Act.

19 "Employer" and "employee" have the meaning ascribed to  
20 those terms in the Minimum Wage Law, except that "employee"  
21 also includes employees who work for an employer with fewer  
22 than 4 employees. Employers that operate more than one  
23 establishment pursuant to a franchise agreement or that  
24 constitute members of a unitary business group shall aggregate  
25 their employees for purposes of determining eligibility for  
26 the credit.

1 "Full-time equivalent employees" means the ratio of the  
2 number of paid hours during the reporting period and the  
3 number of working hours in that period.

4 "Maximum credit" means the percentage listed below of the  
5 difference between the amount of compensation paid in Illinois  
6 to employees who are paid not more than the required minimum  
7 wage reduced by the amount of compensation paid in Illinois to  
8 employees who were paid less than the current required minimum  
9 wage during the reporting period prior to each increase in the  
10 required minimum wage on January 1. If an employer pays an  
11 employee more than the required minimum wage and that employee  
12 previously earned less than the required minimum wage, the  
13 employer may include the portion that does not exceed the  
14 required minimum wage as compensation paid in Illinois to  
15 employees who are paid not more than the required minimum  
16 wage.

17 (1) 25% for reporting periods beginning on or after  
18 January 1, 2020 and ending on or before December 31, 2020;

19 (2) 21% for reporting periods beginning on or after  
20 January 1, 2021 and ending on or before December 31, 2021;

21 (3) 17% for reporting periods beginning on or after  
22 January 1, 2022 and ending on or before December 31, 2022;

23 (4) 13% for reporting periods beginning on or after  
24 January 1, 2023 and ending on or before December 31, 2023;

25 (5) 9% for reporting periods beginning on or after  
26 January 1, 2024 and ending on or before December 31, 2024;

1           (6) 5% for reporting periods beginning on or after  
2           January 1, 2025 and ending on or before December 31, 2025.

3           The amount computed under this subsection may continue to  
4           be claimed for reporting periods beginning on or after January  
5           1, 2026 and:

6           (A) ending on or before December 31, 2026 for  
7           employers with more than 5 employees; or

8           (B) ending on or before December 31, 2027 for  
9           employers with no more than 5 employees.

10          "Qualified employee" means an employee who is paid not  
11          more than the required minimum wage and has an average wage  
12          paid per hour by the employer during the reporting period  
13          equal to or greater than his or her average wage paid per hour  
14          by the employer during each reporting period for the  
15          immediately preceding 12 months. A new qualified employee is  
16          deemed to have earned the required minimum wage in the  
17          preceding reporting period.

18          "Reporting period" means the quarter for which a return is  
19          required to be filed under subsection (b) of this Section.

20          (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21.)

21          Section 110-907. The Use Tax Act is amended by changing  
22          Section 12 as follows:

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

24          Sec. 12. Applicability of Retailers' Occupation Tax Act

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

20 (Source: P.A. 98-1098, eff. 8-26-14.)

21 Section 110-908. The Service Use Tax Act is amended by  
22 changing Section 12 as follows:

23 (35 ILCS 110/12) (from Ch. 120, par. 439.42)

24 Sec. 12. Applicability of Retailers' Occupation Tax Act

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

20 (Source: P.A. 98-1098, eff. 8-26-14; 99-217, eff. 7-31-15.)

21 Section 110-909. The Service Occupation Tax Act is amended  
22 by changing Section 12 as follows:

23 (35 ILCS 115/12) (from Ch. 120, par. 439.112)

24 Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,

1 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3  
2 (except as to the disposition by the Department of the tax  
3 collected under this Act), 4 (except that the time limitation  
4 provisions shall run from the date when the tax is due rather  
5 than from the date when gross receipts are received), 5  
6 (except that the time limitation provisions on the issuance of  
7 notices of tax liability shall run from the date when the tax  
8 is due rather than from the date when gross receipts are  
9 received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5n, 6d, 7,  
10 8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act"  
11 which are not inconsistent with this Act, and Section 3-7 of  
12 the Uniform Penalty and Interest Act shall apply, as far as  
13 practicable, to the subject matter of this Act to the same  
14 extent as if such provisions were included herein.

15 (Source: P.A. 98-1098, eff. 8-26-14; 99-217, eff. 7-31-15.)

16 Section 110-910. The Retailers' Occupation Tax Act is  
17 amended by adding Section 5n as follows:

18 (35 ILCS 120/5n new)

19 Sec. 5n. Building materials exemption; microchip and  
20 semiconductor manufacturing. Each retailer who makes a sale of  
21 building materials that will be incorporated into real estate  
22 in a qualified facility for which a certificate of exemption  
23 has been issued by the Department of Commerce and Economic  
24 Opportunity under Section 110-105 of the Manufacturing

1 Illinois Chips for Real Opportunity (MICRO) Act, may deduct  
2 receipts from such sales when calculating any State or local  
3 use and occupation taxes. No retailer who is eligible for the  
4 deduction or credit under Section 5k of this Act related to  
5 enterprise zones or Section 5l of this Act related to High  
6 Impact Businesses for a given sale shall be eligible for the  
7 deduction or credit authorized under this Section for that  
8 same sale.

9 In addition to any other requirements to document the  
10 exemption allowed under this Section, the retailer must obtain  
11 the purchaser's exemption certificate number issued by the  
12 Department. A construction contractor or other entity shall  
13 not make tax-free purchases unless it has an active exemption  
14 certificate issued by the Department at the time of purchase.

15 Upon request from a person that has been certified by the  
16 Department of Commerce and Economic Opportunity under the  
17 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,  
18 the Department shall issue a MICRO Illinois Building Materials  
19 Exemption Certificate for each construction contractor or  
20 other entity identified by the person so certified. The  
21 Department shall make the MICRO Illinois Building Materials  
22 Exemption Certificates available to each construction  
23 contractor or other entity as well as the person certified  
24 under the Manufacturing Illinois Chips for Real Opportunity  
25 (MICRO) Act. The request for MICRO Illinois Building Materials  
26 Exemption Certificates must include the following information:



1           (1) the name and address of the construction  
2           contractor or other entity;

3           (2) the name and location or address of the building  
4           project site;

5           (3) the estimated amount of the exemption for each  
6           construction contractor or other entity for which a  
7           request for an exemption certificate is made, based on a  
8           stated estimated average tax rate and the percentage of  
9           the contract that consists of materials;

10          (4) the period of time over which supplies for the  
11          project are expected to be purchased; and

12          (5) other reasonable information as the Department may  
13          require, including but not limited to FEIN numbers, to  
14          determine if the contractor or other entity, or any  
15          partner, or a corporate officer, and in the case of a  
16          limited liability company, any manager or member, of the  
17          construction contractor or other entity, is or has been  
18          the owner, a partner, a corporate officer, and in the case  
19          of a limited liability company, a manager or member, of a  
20          person that is in default for moneys due to the Department  
21          under this Act or any other tax or fee Act administered by  
22          the Department.

23          The Department shall issue the exemption certificate  
24          within 3 business days after receipt of request. This  
25          requirement does not apply in circumstances where the  
26          Department, for reasonable cause, is unable to issue the

1 exemption certificate within 3 business days. The Department  
2 may refuse to issue an exemption certificate under this  
3 Section if the owner, any partner, or a corporate officer, and  
4 in the case of a limited liability company, any manager or  
5 member, of the construction contractor or other entity is or  
6 has been the owner, a partner, a corporate officer, and in the  
7 case of a limited liability company, a manager or member, of a  
8 person that is in default for moneys due to the Department  
9 under this Act or any other tax or fee Act administered by the  
10 Department.

11 The MICRO Illinois Building Materials Exemption  
12 Certificate shall contain language stating that, if the  
13 construction contractor or other entity who is issued the  
14 exemption certificate makes a tax-exempt purchase, as  
15 described in this Section, that is not eligible for exemption  
16 under this Section or allows another person to make a  
17 tax-exempt purchase, as described in this Section, that is not  
18 eligible for exemption under this Section, then, in addition  
19 to any tax or other penalty imposed, the construction  
20 contractor or other entity is subject to a penalty equal to the  
21 tax that would have been paid by the retailer under this Act as  
22 well as any applicable local retailers' occupation tax on the  
23 purchase that is not eligible for the exemption.

24 The Department, in its discretion, may require that the  
25 request for a MICRO Illinois Exemption Certificate be  
26 submitted electronically. The Department may, in its

1 discretion, issue the exemption certificates electronically.  
2 The MICRO Illinois Building Materials Exemption Certificate  
3 number shall be designed in such a way that the Department can  
4 identify from the unique number on the exemption certificate  
5 issued to a given construction contractor or other entity, the  
6 name of the entity to whom the exemption certificate is  
7 issued. The MICRO Illinois Building Materials Exemption  
8 Certificate shall contain an expiration date, which shall be  
9 no more than 5 years after the date of issuance. At the request  
10 of the entity to whom the exemption certificate is issued, the  
11 Department may renew an exemption certificate issued under  
12 this Section. After the Department issues exemption  
13 certificates under this Section, the certified entity may  
14 notify the Department of additional construction contractors  
15 or other entities eligible for an exemption certificate under  
16 this Section. Upon such a notification and subject to the  
17 other provisions of this Section, the Department shall issue  
18 an exemption certificate to each additional qualified  
19 construction contractor or other entity so identified. A  
20 certified entity may notify the Department to rescind an  
21 exemption certificate previously issued by the Department that  
22 has not yet expired. Upon such a notification and subject to  
23 the other provisions of this Section, the Department shall  
24 rescind the exemption certificate.

25 If the Department of Revenue determines that a  
26 construction contractor or other entity that was issued an

1 exemption certificate under this Section made a tax-exempt  
2 purchase, as described in this Section, that was not eligible  
3 for exemption under this Section or allowed another person to  
4 make a tax-exempt purchase, as described in this Section, that  
5 was not eligible for exemption under this Section, then, in  
6 addition to any tax or other penalty imposed, the construction  
7 contractor or other entity is subject to a penalty equal to the  
8 tax that would have been paid by the retailer under this Act as  
9 well as any applicable local retailers' occupation tax on the  
10 purchase that was not eligible for the exemption.

11 This Section is exempt from the provisions of Section  
12 2-70.

13 Section 110-915. The Property Tax Code is amended by  
14 adding Section 18-184.20 as follows:

15 (35 ILCS 200/18-184.20 new)

16 Sec. 18-184.20. MICRO Illinois project facilities. Any  
17 taxing district, upon a majority vote of its governing body,  
18 may, after determination of the assessed value as set forth in  
19 this Code, order the clerk of the appropriate municipality or  
20 county to abate any portion of real property taxes otherwise  
21 levied or extended by the taxing district on a MICRO Illinois  
22 Project facility owned by a semiconductor manufacturer or  
23 microchip manufacturer or a semiconductor or microchip  
24 component parts manufacturer that is subject to an agreement

1 with the Department of Commerce and Economic Opportunity under  
2 the Manufacturing Illinois Chips for Real Opportunity (MICRO)  
3 Act, during the period of time such agreement is in effect as  
4 specified by the Department of Commerce and Economic  
5 Opportunity.

6 Section 110-920. The Telecommunications Excise Tax Act is  
7 amended by changing Section 2 as follows:

8 (35 ILCS 630/2) (from Ch. 120, par. 2002)

9 Sec. 2. As used in this Article, unless the context  
10 clearly requires otherwise:

11 (a) "Gross charge" means the amount paid for the act or  
12 privilege of originating or receiving telecommunications in  
13 this State and for all services and equipment provided in  
14 connection therewith by a retailer, valued in money whether  
15 paid in money or otherwise, including cash, credits, services  
16 and property of every kind or nature, and shall be determined  
17 without any deduction on account of the cost of such  
18 telecommunications, the cost of materials used, labor or  
19 service costs or any other expense whatsoever. In case credit  
20 is extended, the amount thereof shall be included only as and  
21 when paid. "Gross charges" for private line service shall  
22 include charges imposed at each channel termination point  
23 within this State, charges for the channel mileage between  
24 each channel termination point within this State, and charges

1 for that portion of the interstate inter-office channel  
2 provided within Illinois. Charges for that portion of the  
3 interstate inter-office channel provided in Illinois shall be  
4 determined by the retailer as follows: (i) for interstate  
5 inter-office channels having 2 channel termination points,  
6 only one of which is in Illinois, 50% of the total charge  
7 imposed; or (ii) for interstate inter-office channels having  
8 more than 2 channel termination points, one or more of which  
9 are in Illinois, an amount equal to the total charge  
10 multiplied by a fraction, the numerator of which is the number  
11 of channel termination points within Illinois and the  
12 denominator of which is the total number of channel  
13 termination points. Prior to January 1, 2004, any method  
14 consistent with this paragraph or other method that reasonably  
15 apportions the total charges for interstate inter-office  
16 channels among the states in which channel terminations points  
17 are located shall be accepted as a reasonable method to  
18 determine the charges for that portion of the interstate  
19 inter-office channel provided within Illinois for that period.  
20 However, "gross charges" shall not include any of the  
21 following:

- 22 (1) Any amounts added to a purchaser's bill because of  
23 a charge made pursuant to (i) the tax imposed by this  
24 Article; (ii) charges added to customers' bills pursuant  
25 to the provisions of Sections 9-221 or 9-222 of the Public  
26 Utilities Act, as amended, or any similar charges added to

1 customers' bills by retailers who are not subject to rate  
2 regulation by the Illinois Commerce Commission for the  
3 purpose of recovering any of the tax liabilities or other  
4 amounts specified in such provisions of such Act; (iii)  
5 the tax imposed by Section 4251 of the Internal Revenue  
6 Code; (iv) 911 surcharges; or (v) the tax imposed by the  
7 Simplified Municipal Telecommunications Tax Act.

8 (2) Charges for a sent collect telecommunication  
9 received outside of the State.

10 (3) Charges for leased time on equipment or charges  
11 for the storage of data or information for subsequent  
12 retrieval or the processing of data or information  
13 intended to change its form or content. Such equipment  
14 includes, but is not limited to, the use of calculators,  
15 computers, data processing equipment, tabulating equipment  
16 or accounting equipment and also includes the usage of  
17 computers under a time-sharing agreement.

18 (4) Charges for customer equipment, including such  
19 equipment that is leased or rented by the customer from  
20 any source, wherein such charges are disaggregated and  
21 separately identified from other charges.

22 (5) Charges to business enterprises certified under  
23 Section 9-222.1 of the Public Utilities Act, as amended,  
24 or to electric vehicle manufacturers, electric vehicle  
25 component parts manufacturers, or electric vehicle power  
26 supply manufacturers at REV Illinois Project sites for

1           which a certificate of exemption has been issued by the  
2           Department of Commerce and Economic Opportunity under  
3           Section 95 of the Reimagining Electric Vehicles in  
4           Illinois Act, to the extent of such exemption and during  
5           the period of time specified by the Department of Commerce  
6           and Economic Opportunity.

7           (5.1) Charges to business enterprises certified under  
8           the Manufacturing Illinois Chips for Real Opportunity  
9           (MICRO) Act.

10          (6) Charges for telecommunications and all services  
11          and equipment provided in connection therewith between a  
12          parent corporation and its wholly owned subsidiaries or  
13          between wholly owned subsidiaries when the tax imposed  
14          under this Article has already been paid to a retailer and  
15          only to the extent that the charges between the parent  
16          corporation and wholly owned subsidiaries or between  
17          wholly owned subsidiaries represent expense allocation  
18          between the corporations and not the generation of profit  
19          for the corporation rendering such service.

20          (7) Bad debts. Bad debt means any portion of a debt  
21          that is related to a sale at retail for which gross charges  
22          are not otherwise deductible or excludable that has become  
23          worthless or uncollectable, as determined under applicable  
24          federal income tax standards. If the portion of the debt  
25          deemed to be bad is subsequently paid, the retailer shall  
26          report and pay the tax on that portion during the



1 reporting period in which the payment is made.

2 (8) Charges paid by inserting coins in coin-operated  
3 telecommunication devices.

4 (9) Amounts paid by telecommunications retailers under  
5 the Telecommunications Municipal Infrastructure  
6 Maintenance Fee Act.

7 (10) Charges for nontaxable services or  
8 telecommunications if (i) those charges are aggregated  
9 with other charges for telecommunications that are  
10 taxable, (ii) those charges are not separately stated on  
11 the customer bill or invoice, and (iii) the retailer can  
12 reasonably identify the nontaxable charges on the  
13 retailer's books and records kept in the regular course of  
14 business. If the nontaxable charges cannot reasonably be  
15 identified, the gross charge from the sale of both taxable  
16 and nontaxable services or telecommunications billed on a  
17 combined basis shall be attributed to the taxable services  
18 or telecommunications. The burden of proving nontaxable  
19 charges shall be on the retailer of the  
20 telecommunications.

21 (b) "Amount paid" means the amount charged to the  
22 taxpayer's service address in this State regardless of where  
23 such amount is billed or paid.

24 (c) "Telecommunications", in addition to the meaning  
25 ordinarily and popularly ascribed to it, includes, without  
26 limitation, messages or information transmitted through use of

1 local, toll and wide area telephone service; private line  
2 services; channel services; telegraph services;  
3 teletypewriter; computer exchange services; cellular mobile  
4 telecommunications service; specialized mobile radio;  
5 stationary two way radio; paging service; or any other form of  
6 mobile and portable one-way or two-way communications; or any  
7 other transmission of messages or information by electronic or  
8 similar means, between or among points by wire, cable,  
9 fiber-optics, laser, microwave, radio, satellite or similar  
10 facilities. As used in this Act, "private line" means a  
11 dedicated non-traffic sensitive service for a single customer,  
12 that entitles the customer to exclusive or priority use of a  
13 communications channel or group of channels, from one or more  
14 specified locations to one or more other specified locations.  
15 The definition of "telecommunications" shall not include value  
16 added services in which computer processing applications are  
17 used to act on the form, content, code and protocol of the  
18 information for purposes other than transmission.  
19 "Telecommunications" shall not include purchases of  
20 telecommunications by a telecommunications service provider  
21 for use as a component part of the service provided by him to  
22 the ultimate retail consumer who originates or terminates the  
23 taxable end-to-end communications. Carrier access charges,  
24 right of access charges, charges for use of inter-company  
25 facilities, and all telecommunications resold in the  
26 subsequent provision of, used as a component of, or integrated

1 into end-to-end telecommunications service shall be  
2 non-taxable as sales for resale.

3 (d) "Interstate telecommunications" means all  
4 telecommunications that either originate or terminate outside  
5 this State.

6 (e) "Intrastate telecommunications" means all  
7 telecommunications that originate and terminate within this  
8 State.

9 (f) "Department" means the Department of Revenue of the  
10 State of Illinois.

11 (g) "Director" means the Director of Revenue for the  
12 Department of Revenue of the State of Illinois.

13 (h) "Taxpayer" means a person who individually or through  
14 his agents, employees or permittees engages in the act or  
15 privilege of originating or receiving telecommunications in  
16 this State and who incurs a tax liability under this Article.

17 (i) "Person" means any natural individual, firm, trust,  
18 estate, partnership, association, joint stock company, joint  
19 venture, corporation, limited liability company, or a  
20 receiver, trustee, guardian or other representative appointed  
21 by order of any court, the Federal and State governments,  
22 including State universities created by statute or any city,  
23 town, county or other political subdivision of this State.

24 (j) "Purchase at retail" means the acquisition,  
25 consumption or use of telecommunication through a sale at  
26 retail.

1           (k) "Sale at retail" means the transmitting, supplying or  
2           furnishing of telecommunications and all services and  
3           equipment provided in connection therewith for a consideration  
4           to persons other than the Federal and State governments, and  
5           State universities created by statute and other than between a  
6           parent corporation and its wholly owned subsidiaries or  
7           between wholly owned subsidiaries for their use or consumption  
8           and not for resale.

9           (l) "Retailer" means and includes every person engaged in  
10          the business of making sales at retail as defined in this  
11          Article. The Department may, in its discretion, upon  
12          application, authorize the collection of the tax hereby  
13          imposed by any retailer not maintaining a place of business  
14          within this State, who, to the satisfaction of the Department,  
15          furnishes adequate security to insure collection and payment  
16          of the tax. Such retailer shall be issued, without charge, a  
17          permit to collect such tax. When so authorized, it shall be the  
18          duty of such retailer to collect the tax upon all of the gross  
19          charges for telecommunications in this State in the same  
20          manner and subject to the same requirements as a retailer  
21          maintaining a place of business within this State. The permit  
22          may be revoked by the Department at its discretion.

23          (m) "Retailer maintaining a place of business in this  
24          State", or any like term, means and includes any retailer  
25          having or maintaining within this State, directly or by a  
26          subsidiary, an office, distribution facilities, transmission

1 facilities, sales office, warehouse or other place of  
2 business, or any agent or other representative operating  
3 within this State under the authority of the retailer or its  
4 subsidiary, irrespective of whether such place of business or  
5 agent or other representative is located here permanently or  
6 temporarily, or whether such retailer or subsidiary is  
7 licensed to do business in this State.

8 (n) "Service address" means the location of  
9 telecommunications equipment from which the telecommunications  
10 services are originated or at which telecommunications  
11 services are received by a taxpayer. In the event this may not  
12 be a defined location, as in the case of mobile phones, paging  
13 systems, maritime systems, service address means the  
14 customer's place of primary use as defined in the Mobile  
15 Telecommunications Sourcing Conformity Act. For air-to-ground  
16 systems and the like, service address shall mean the location  
17 of a taxpayer's primary use of the telecommunications  
18 equipment as defined by telephone number, authorization code,  
19 or location in Illinois where bills are sent.

20 (o) "Prepaid telephone calling arrangements" mean the  
21 right to exclusively purchase telephone or telecommunications  
22 services that must be paid for in advance and enable the  
23 origination of one or more intrastate, interstate, or  
24 international telephone calls or other telecommunications  
25 using an access number, an authorization code, or both,  
26 whether manually or electronically dialed, for which payment

1 to a retailer must be made in advance, provided that, unless  
2 recharged, no further service is provided once that prepaid  
3 amount of service has been consumed. Prepaid telephone calling  
4 arrangements include the recharge of a prepaid calling  
5 arrangement. For purposes of this subsection, "recharge" means  
6 the purchase of additional prepaid telephone or  
7 telecommunications services whether or not the purchaser  
8 acquires a different access number or authorization code.  
9 "Prepaid telephone calling arrangement" does not include an  
10 arrangement whereby a customer purchases a payment card and  
11 pursuant to which the service provider reflects the amount of  
12 such purchase as a credit on an invoice issued to that customer  
13 under an existing subscription plan.

14 (Source: P.A. 102-669, eff. 11-16-21.)

15 Section 110-925. The Electricity Excise Tax Law is amended  
16 by changing Section 2-4 as follows:

17 (35 ILCS 640/2-4)

18 Sec. 2-4. Tax imposed.

19 (a) Except as provided in subsection (b), a tax is imposed  
20 on the privilege of using in this State electricity purchased  
21 for use or consumption and not for resale, other than by  
22 municipal corporations owning and operating a local  
23 transportation system for public service, at the following  
24 rates per kilowatt-hour delivered to the purchaser:

1 (i) For the first 2000 kilowatt-hours used or consumed  
2 in a month: 0.330 cents per kilowatt-hour;

3 (ii) For the next 48,000 kilowatt-hours used or  
4 consumed in a month: 0.319 cents per kilowatt-hour;

5 (iii) For the next 50,000 kilowatt-hours used or  
6 consumed in a month: 0.303 cents per kilowatt-hour;

7 (iv) For the next 400,000 kilowatt-hours used or  
8 consumed in a month: 0.297 cents per kilowatt-hour;

9 (v) For the next 500,000 kilowatt-hours used or  
10 consumed in a month: 0.286 cents per kilowatt-hour;

11 (vi) For the next 2,000,000 kilowatt-hours used or  
12 consumed in a month: 0.270 cents per kilowatt-hour;

13 (vii) For the next 2,000,000 kilowatt-hours used or  
14 consumed in a month: 0.254 cents per kilowatt-hour;

15 (viii) For the next 5,000,000 kilowatt-hours used or  
16 consumed in a month: 0.233 cents per kilowatt-hour;

17 (ix) For the next 10,000,000 kilowatt-hours used or  
18 consumed in a month: 0.207 cents per kilowatt-hour;

19 (x) For all electricity in excess of 20,000,000  
20 kilowatt-hours used or consumed in a month: 0.202 cents  
21 per kilowatt-hour.

22 Provided, that in lieu of the foregoing rates, the tax is  
23 imposed on a self-assessing purchaser at the rate of 5.1% of  
24 the self-assessing purchaser's purchase price for all  
25 electricity distributed, supplied, furnished, sold,  
26 transmitted and delivered to the self-assessing purchaser in a

1 month.

2 (b) A tax is imposed on the privilege of using in this  
3 State electricity purchased from a municipal system or  
4 electric cooperative, as defined in Article XVII of the Public  
5 Utilities Act, which has not made an election as permitted by  
6 either Section 17-200 or Section 17-300 of such Act, at the  
7 lesser of 0.32 cents per kilowatt hour of all electricity  
8 distributed, supplied, furnished, sold, transmitted, and  
9 delivered by such municipal system or electric cooperative to  
10 the purchaser or 5% of each such purchaser's purchase price  
11 for all electricity distributed, supplied, furnished, sold,  
12 transmitted, and delivered by such municipal system or  
13 electric cooperative to the purchaser, whichever is the lower  
14 rate as applied to each purchaser in each billing period.

15 (c) The tax imposed by this Section 2-4 is not imposed with  
16 respect to any use of electricity by business enterprises  
17 certified under Section 9-222.1 or 9-222.1A of the Public  
18 Utilities Act, as amended, to the extent of such exemption and  
19 during the time specified by the Department of Commerce and  
20 Economic Opportunity; or with respect to any transaction in  
21 interstate commerce, or otherwise, to the extent to which such  
22 transaction may not, under the Constitution and statutes of  
23 the United States, be made the subject of taxation by this  
24 State.

25 (d) The tax imposed by this Section 2-4 is not imposed with  
26 respect to any use of electricity at a REV Illinois Project



1 site that has received a certification for tax exemption from  
2 the Department of Commerce and Economic Opportunity pursuant  
3 to Section 95 of the Reimagining Electric Vehicles in Illinois  
4 Act, to the extent of such exemption, which shall be no more  
5 than 10 years.

6 (e) The tax imposed by this Section 2-4 is not imposed with  
7 respect to any use of electricity at a project site that has  
8 received a certification for tax exemption from the Department  
9 of Commerce and Economic Opportunity pursuant to the  
10 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,  
11 to the extent of such exemption, which shall be no more than 10  
12 years.

13 (Source: P.A. 102-669, eff. 11-16-21.)

14 Section 110-930. The Public Utilities Act is amended by  
15 changing Section 9-222 as follows:

16 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

17 Sec. 9-222. Whenever a tax is imposed upon a public  
18 utility engaged in the business of distributing, supplying,  
19 furnishing, or selling gas for use or consumption pursuant to  
20 Section 2 of the Gas Revenue Tax Act, or whenever a tax is  
21 required to be collected by a delivering supplier pursuant to  
22 Section 2-7 of the Electricity Excise Tax Act, or whenever a  
23 tax is imposed upon a public utility pursuant to Section 2-202  
24 of this Act, such utility may charge its customers, other than

1 customers who are high impact businesses under Section 5.5 of  
2 the Illinois Enterprise Zone Act, electric vehicle  
3 manufacturers, electric vehicle component parts manufacturers,  
4 or electric vehicle power supply equipment manufacturers at  
5 REV Illinois Project sites as certified under Section 95 of  
6 the Reimagining Electric Vehicles in Illinois Act,  
7 manufacturers under the Manufacturing Illinois Chips for Real  
8 Opportunity (MICRO) Act, or certified business enterprises  
9 under Section 9-222.1 of this Act, to the extent of such  
10 exemption and during the period in which such exemption is in  
11 effect, in addition to any rate authorized by this Act, an  
12 additional charge equal to the total amount of such taxes. The  
13 exemption of this Section relating to high impact businesses  
14 shall be subject to the provisions of subsections (a), (b),  
15 and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act.  
16 This requirement shall not apply to taxes on invested capital  
17 imposed pursuant to the Messages Tax Act, the Gas Revenue Tax  
18 Act and the Public Utilities Revenue Act. Such utility shall  
19 file with the Commission a supplemental schedule which shall  
20 specify such additional charge and which shall become  
21 effective upon filing without further notice. Such additional  
22 charge shall be shown separately on the utility bill to each  
23 customer. The Commission shall have the power to investigate  
24 whether or not such supplemental schedule correctly specifies  
25 such additional charge, but shall have no power to suspend  
26 such supplemental schedule. If the Commission finds, after a

1 hearing, that such supplemental schedule does not correctly  
2 specify such additional charge, it shall by order require a  
3 refund to the appropriate customers of the excess, if any,  
4 with interest, in such manner as it shall deem just and  
5 reasonable, and in and by such order shall require the utility  
6 to file an amended supplemental schedule corresponding to the  
7 finding and order of the Commission. Except with respect to  
8 taxes imposed on invested capital, such tax liabilities shall  
9 be recovered from customers solely by means of the additional  
10 charges authorized by this Section.

11 (Source: P.A. 102-669, eff. 11-16-21.)

12 ARTICLE 999. EFFECTIVE DATE

13 Section 999-99. Effective date. This Act takes effect upon  
14 becoming law, except that Article 100 takes effect on July 1,  
15 2023.