



Sen. Cristina Castro

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1 AMENDMENT TO SENATE BILL 2066

2 AMENDMENT NO. _____. Amend Senate Bill 2066 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Retailers' Occupation Tax Act is amended
5 by changing Sections 1, 2-5, and 3 as follows:

6 (35 ILCS 120/1) (from Ch. 120, par. 440)

7 Sec. 1. Definitions. "Sale at retail" means any transfer
8 of the ownership of or title to tangible personal property to a
9 purchaser, for the purpose of use or consumption, and not for
10 the purpose of resale in any form as tangible personal
11 property to the extent not first subjected to a use for which
12 it was purchased, for a valuable consideration: Provided that
13 the property purchased is deemed to be purchased for the
14 purpose of resale, despite first being used, to the extent to
15 which it is resold as an ingredient of an intentionally
16 produced product or byproduct of manufacturing. For this

1 purpose, slag produced as an incident to manufacturing pig
2 iron or steel and sold is considered to be an intentionally
3 produced byproduct of manufacturing. Transactions whereby the
4 possession of the property is transferred but the seller
5 retains the title as security for payment of the selling price
6 shall be deemed to be sales.

7 "Sale at retail" shall be construed to include any
8 transfer of the ownership of or title to tangible personal
9 property to a purchaser, for use or consumption by any other
10 person to whom such purchaser may transfer the tangible
11 personal property without a valuable consideration, and to
12 include any transfer, whether made for or without a valuable
13 consideration, for resale in any form as tangible personal
14 property unless made in compliance with Section 2c of this
15 Act.

16 Sales of tangible personal property, which property, to
17 the extent not first subjected to a use for which it was
18 purchased, as an ingredient or constituent, goes into and
19 forms a part of tangible personal property subsequently the
20 subject of a "Sale at retail", are not sales at retail as
21 defined in this Act: Provided that the property purchased is
22 deemed to be purchased for the purpose of resale, despite
23 first being used, to the extent to which it is resold as an
24 ingredient of an intentionally produced product or byproduct
25 of manufacturing.

26 "Sale at retail" shall be construed to include any

1 Illinois florist's sales transaction in which the purchase
2 order is received in Illinois by a florist and the sale is for
3 use or consumption, but the Illinois florist has a florist in
4 another state deliver the property to the purchaser or the
5 purchaser's donee in such other state.

6 Nonreusable tangible personal property that is used by
7 persons engaged in the business of operating a restaurant,
8 cafeteria, or drive-in is a sale for resale when it is
9 transferred to customers in the ordinary course of business as
10 part of the sale of food or beverages and is used to deliver,
11 package, or consume food or beverages, regardless of where
12 consumption of the food or beverages occurs. Examples of those
13 items include, but are not limited to nonreusable, paper and
14 plastic cups, plates, baskets, boxes, sleeves, buckets or
15 other containers, utensils, straws, placemats, napkins, doggie
16 bags, and wrapping or packaging materials that are transferred
17 to customers as part of the sale of food or beverages in the
18 ordinary course of business.

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

23 A person whose activities are organized and conducted
24 primarily as a not-for-profit service enterprise, and who
25 engages in selling tangible personal property at retail
26 (whether to the public or merely to members and their guests)

1 is engaged in the business of selling tangible personal
2 property at retail with respect to such transactions,
3 excepting only a person organized and operated exclusively for
4 charitable, religious or educational purposes either (1), to
5 the extent of sales by such person to its members, students,
6 patients or inmates of tangible personal property to be used
7 primarily for the purposes of such person, or (2), to the
8 extent of sales by such person of tangible personal property
9 which is not sold or offered for sale by persons organized for
10 profit. The selling of school books and school supplies by
11 schools at retail to students is not "primarily for the
12 purposes of" the school which does such selling. The
13 provisions of this paragraph shall not apply to nor subject to
14 taxation occasional dinners, socials or similar activities of
15 a person organized and operated exclusively for charitable,
16 religious or educational purposes, whether or not such
17 activities are open to the public.

18 A person who is the recipient of a grant or contract under
19 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
20 serves meals to participants in the federal Nutrition Program
21 for the Elderly in return for contributions established in
22 amount by the individual participant pursuant to a schedule of
23 suggested fees as provided for in the federal Act is not
24 engaged in the business of selling tangible personal property
25 at retail with respect to such transactions.

26 "Purchaser" means anyone who, through a sale at retail,

1 acquires the ownership of or title to tangible personal
2 property for a valuable consideration.

3 "Reseller of motor fuel" means any person engaged in the
4 business of selling or delivering or transferring title of
5 motor fuel to another person other than for use or
6 consumption. No person shall act as a reseller of motor fuel
7 within this State without first being registered as a reseller
8 pursuant to Section 2c or a retailer pursuant to Section 2a.

9 "Selling price" or the "amount of sale" means the
10 consideration for a sale valued in money whether received in
11 money or otherwise, including cash, credits, property, other
12 than as hereinafter provided, and services, but, prior to
13 January 1, 2020, not including the value of or credit given for
14 traded-in tangible personal property where the item that is
15 traded-in is of like kind and character as that which is being
16 sold; beginning January 1, 2020, "selling price" includes the
17 portion of the value of or credit given for traded-in motor
18 vehicles of the First Division as defined in Section 1-146 of
19 the Illinois Vehicle Code of like kind and character as that
20 which is being sold that exceeds \$10,000. "Selling price"
21 shall be determined without any deduction on account of the
22 cost of the property sold, the cost of materials used, labor or
23 service cost or any other expense whatsoever, but does not
24 include charges that are added to prices by sellers on account
25 of the seller's tax liability under this Act, or on account of
26 the seller's duty to collect, from the purchaser, the tax that

1 is imposed by the Use Tax Act, or, except as otherwise provided
2 with respect to any cigarette tax imposed by a home rule unit,
3 on account of the seller's tax liability under any local
4 occupation tax administered by the Department, or, except as
5 otherwise provided with respect to any cigarette tax imposed
6 by a home rule unit on account of the seller's duty to collect,
7 from the purchasers, the tax that is imposed under any local
8 use tax administered by the Department. Effective December 1,
9 1985, "selling price" shall include charges that are added to
10 prices by sellers on account of the seller's tax liability
11 under the Cigarette Tax Act, on account of the sellers' duty to
12 collect, from the purchaser, the tax imposed under the
13 Cigarette Use Tax Act, and on account of the seller's duty to
14 collect, from the purchaser, any cigarette tax imposed by a
15 home rule unit.

16 Notwithstanding any law to the contrary, for any motor
17 vehicle, as defined in Section 1-146 of the Vehicle Code, that
18 is sold on or after January 1, 2015 for the purpose of leasing
19 the vehicle for a defined period that is longer than one year
20 and (1) is a motor vehicle of the second division that: (A) is
21 a self-contained motor vehicle designed or permanently
22 converted to provide living quarters for recreational,
23 camping, or travel use, with direct walk through access to the
24 living quarters from the driver's seat; (B) is of the van
25 configuration designed for the transportation of not less than
26 7 nor more than 16 passengers; or (C) has a gross vehicle

1 weight rating of 8,000 pounds or less or (2) is a motor vehicle
2 of the first division, "selling price" or "amount of sale"
3 means the consideration received by the lessor pursuant to the
4 lease contract, including amounts due at lease signing and all
5 monthly or other regular payments charged over the term of the
6 lease. Also included in the selling price is any amount
7 received by the lessor from the lessee for the leased vehicle
8 that is not calculated at the time the lease is executed,
9 including, but not limited to, excess mileage charges and
10 charges for excess wear and tear. For sales that occur in
11 Illinois, with respect to any amount received by the lessor
12 from the lessee for the leased vehicle that is not calculated
13 at the time the lease is executed, the lessor who purchased the
14 motor vehicle does not incur the tax imposed by the Use Tax Act
15 on those amounts, and the retailer who makes the retail sale of
16 the motor vehicle to the lessor is not required to collect the
17 tax imposed by the Use Tax Act or to pay the tax imposed by
18 this Act on those amounts. However, the lessor who purchased
19 the motor vehicle assumes the liability for reporting and
20 paying the tax on those amounts directly to the Department in
21 the same form (Illinois Retailers' Occupation Tax, and local
22 retailers' occupation taxes, if applicable) in which the
23 retailer would have reported and paid such tax if the retailer
24 had accounted for the tax to the Department. For amounts
25 received by the lessor from the lessee that are not calculated
26 at the time the lease is executed, the lessor must file the

1 return and pay the tax to the Department by the due date
2 otherwise required by this Act for returns other than
3 transaction returns. If the retailer is entitled under this
4 Act to a discount for collecting and remitting the tax imposed
5 under this Act to the Department with respect to the sale of
6 the motor vehicle to the lessor, then the right to the discount
7 provided in this Act shall be transferred to the lessor with
8 respect to the tax paid by the lessor for any amount received
9 by the lessor from the lessee for the leased vehicle that is
10 not calculated at the time the lease is executed; provided
11 that the discount is only allowed if the return is timely filed
12 and for amounts timely paid. The "selling price" of a motor
13 vehicle that is sold on or after January 1, 2015 for the
14 purpose of leasing for a defined period of longer than one year
15 shall not be reduced by the value of or credit given for
16 traded-in tangible personal property owned by the lessor, nor
17 shall it be reduced by the value of or credit given for
18 traded-in tangible personal property owned by the lessee,
19 regardless of whether the trade-in value thereof is assigned
20 by the lessee to the lessor. In the case of a motor vehicle
21 that is sold for the purpose of leasing for a defined period of
22 longer than one year, the sale occurs at the time of the
23 delivery of the vehicle, regardless of the due date of any
24 lease payments. A lessor who incurs a Retailers' Occupation
25 Tax liability on the sale of a motor vehicle coming off lease
26 may not take a credit against that liability for the Use Tax

1 the lessor paid upon the purchase of the motor vehicle (or for
2 any tax the lessor paid with respect to any amount received by
3 the lessor from the lessee for the leased vehicle that was not
4 calculated at the time the lease was executed) if the selling
5 price of the motor vehicle at the time of purchase was
6 calculated using the definition of "selling price" as defined
7 in this paragraph. Notwithstanding any other provision of this
8 Act to the contrary, lessors shall file all returns and make
9 all payments required under this paragraph to the Department
10 by electronic means in the manner and form as required by the
11 Department. This paragraph does not apply to leases of motor
12 vehicles for which, at the time the lease is entered into, the
13 term of the lease is not a defined period, including leases
14 with a defined initial period with the option to continue the
15 lease on a month-to-month or other basis beyond the initial
16 defined period.

17 The phrase "like kind and character" shall be liberally
18 construed (including but not limited to any form of motor
19 vehicle for any form of motor vehicle, or any kind of farm or
20 agricultural implement for any other kind of farm or
21 agricultural implement), while not including a kind of item
22 which, if sold at retail by that retailer, would be exempt from
23 retailers' occupation tax and use tax as an isolated or
24 occasional sale.

25 "Gross receipts" from the sales of tangible personal
26 property at retail means the total selling price or the amount

1 of such sales, as hereinbefore defined. In the case of charge
2 and time sales, the amount thereof shall be included only as
3 and when payments are received by the seller. Receipts or
4 other consideration derived by a seller from the sale,
5 transfer or assignment of accounts receivable to a wholly
6 owned subsidiary will not be deemed payments prior to the time
7 the purchaser makes payment on such accounts.

8 "Department" means the Department of Revenue.

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

14 The isolated or occasional sale of tangible personal
15 property at retail by a person who does not hold himself out as
16 being engaged (or who does not habitually engage) in selling
17 such tangible personal property at retail, or a sale through a
18 bulk vending machine, does not constitute engaging in a
19 business of selling such tangible personal property at retail
20 within the meaning of this Act; provided that any person who is
21 engaged in a business which is not subject to the tax imposed
22 by this Act because of involving the sale of or a contract to
23 sell real estate or a construction contract to improve real
24 estate or a construction contract to engineer, install, and
25 maintain an integrated system of products, but who, in the
26 course of conducting such business, transfers tangible

1 personal property to users or consumers in the finished form
2 in which it was purchased, and which does not become real
3 estate or was not engineered and installed, under any
4 provision of a construction contract or real estate sale or
5 real estate sales agreement entered into with some other
6 person arising out of or because of such nontaxable business,
7 is engaged in the business of selling tangible personal
8 property at retail to the extent of the value of the tangible
9 personal property so transferred. If, in such a transaction, a
10 separate charge is made for the tangible personal property so
11 transferred, the value of such property, for the purpose of
12 this Act, shall be the amount so separately charged, but not
13 less than the cost of such property to the transferor; if no
14 separate charge is made, the value of such property, for the
15 purposes of this Act, is the cost to the transferor of such
16 tangible personal property. Construction contracts for the
17 improvement of real estate consisting of engineering,
18 installation, and maintenance of voice, data, video, security,
19 and all telecommunication systems do not constitute engaging
20 in a business of selling tangible personal property at retail
21 within the meaning of this Act if they are sold at one
22 specified contract price.

23 A person who holds himself or herself out as being engaged
24 (or who habitually engages) in selling tangible personal
25 property at retail is a person engaged in the business of
26 selling tangible personal property at retail hereunder with

1 respect to such sales (and not primarily in a service
2 occupation) notwithstanding the fact that such person designs
3 and produces such tangible personal property on special order
4 for the purchaser and in such a way as to render the property
5 of value only to such purchaser, if such tangible personal
6 property so produced on special order serves substantially the
7 same function as stock or standard items of tangible personal
8 property that are sold at retail.

9 Persons who engage in the business of transferring
10 tangible personal property upon the redemption of trading
11 stamps are engaged in the business of selling such property at
12 retail and shall be liable for and shall pay the tax imposed by
13 this Act on the basis of the retail value of the property
14 transferred upon redemption of such stamps.

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

21 "Remote retailer" means a retailer that does not maintain
22 within this State, directly or by a subsidiary, an office,
23 distribution house, sales house, warehouse or other place of
24 business, or any agent or other representative operating
25 within this State under the authority of the retailer or its
26 subsidiary, irrespective of whether such place of business or

1 agent is located here permanently or temporarily or whether
2 such retailer or subsidiary is licensed to do business in this
3 State.

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

7 "Marketplace facilitator" means a person who, pursuant to
8 an agreement with an unrelated third-party marketplace seller,
9 directly or indirectly through one or more affiliates
10 facilitates a retail sale by an unrelated third party
11 marketplace seller by:

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

15 (2) either directly or indirectly, through agreements
16 or arrangements with third parties, collecting payment
17 from the customer and transmitting that payment to the
18 marketplace seller regardless of whether the marketplace
19 facilitator receives compensation or other consideration
20 in exchange for its services.

21 A person who provides advertising services, including
22 listing products for sale, is not considered a marketplace
23 facilitator, so long as the advertising service platform or
24 forum does not engage, directly or indirectly through one or
25 more affiliated persons, in the activities described in
26 paragraph (2) of this definition of "marketplace facilitator".

1 "Marketplace facilitator" does not include any person
2 licensed under the Auction License Act. This exemption does
3 not apply to any person who is an Internet auction listing
4 service, as defined by the Auction License Act.

5 "Marketplace seller" means a person that makes sales
6 through a marketplace operated by an unrelated third party
7 marketplace facilitator.

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

9 (35 ILCS 120/2-5)

10 Sec. 2-5. Exemptions. Gross receipts from proceeds from
11 the sale of the following tangible personal property are
12 exempt from the tax imposed by this Act:

13 (1) Farm chemicals.

14 (2) Farm machinery and equipment, both new and used,
15 including that manufactured on special order, certified by
16 the purchaser to be used primarily for production
17 agriculture or State or federal agricultural programs,
18 including individual replacement parts for the machinery
19 and equipment, including machinery and equipment purchased
20 for lease, and including implements of husbandry defined
21 in Section 1-130 of the Illinois Vehicle Code, farm
22 machinery and agricultural chemical and fertilizer
23 spreaders, and nurse wagons required to be registered
24 under Section 3-809 of the Illinois Vehicle Code, but
25 excluding other motor vehicles required to be registered

1 under the Illinois Vehicle Code. Horticultural polyhouses
2 or hoop houses used for propagating, growing, or
3 overwintering plants shall be considered farm machinery
4 and equipment under this item (2). Agricultural chemical
5 tender tanks and dry boxes shall include units sold
6 separately from a motor vehicle required to be licensed
7 and units sold mounted on a motor vehicle required to be
8 licensed, if the selling price of the tender is separately
9 stated.

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

18 Farm machinery and equipment also includes computers,
19 sensors, software, and related equipment used primarily in
20 the computer-assisted operation of production agriculture
21 facilities, equipment, and activities such as, but not
22 limited to, the collection, monitoring, and correlation of
23 animal and crop data for the purpose of formulating animal
24 diets and agricultural chemicals. This item (2) is exempt
25 from the provisions of Section 2-70.

26 (3) Until July 1, 2003, distillation machinery and

1 equipment, sold as a unit or kit, assembled or installed
2 by the retailer, certified by the user to be used only for
3 the production of ethyl alcohol that will be used for
4 consumption as motor fuel or as a component of motor fuel
5 for the personal use of the user, and not subject to sale
6 or resale.

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

20 (5) A motor vehicle that is used for automobile
21 renting, as defined in the Automobile Renting Occupation
22 and Use Tax Act. This paragraph is exempt from the
23 provisions of Section 2-70.

24 (6) Personal property sold by a teacher-sponsored
25 student organization affiliated with an elementary or
26 secondary school located in Illinois.

1 (7) Until July 1, 2003, proceeds of that portion of
2 the selling price of a passenger car the sale of which is
3 subject to the Replacement Vehicle Tax.

4 (8) Personal property sold to an Illinois county fair
5 association for use in conducting, operating, or promoting
6 the county fair.

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

22 (10) Personal property sold by a corporation, society,
23 association, foundation, institution, or organization,
24 other than a limited liability company, that is organized
25 and operated as a not-for-profit service enterprise for
26 the benefit of persons 65 years of age or older if the

1 personal property was not purchased by the enterprise for
2 the purpose of resale by the enterprise.

3 (11) Personal property sold to a governmental body, to
4 a corporation, society, association, foundation, or
5 institution organized and operated exclusively for
6 charitable, religious, or educational purposes, or to a
7 not-for-profit corporation, society, association,
8 foundation, institution, or organization that has no
9 compensated officers or employees and that is organized
10 and operated primarily for the recreation of persons 55
11 years of age or older. A limited liability company may
12 qualify for the exemption under this paragraph only if the
13 limited liability company is organized and operated
14 exclusively for educational purposes. On and after July 1,
15 1987, however, no entity otherwise eligible for this
16 exemption shall make tax-free purchases unless it has an
17 active identification number issued by the Department.

18 (12) (Blank).

19 (12-5) On and after July 1, 2003 and through June 30,
20 2004, motor vehicles of the second division with a gross
21 vehicle weight in excess of 8,000 pounds that are subject
22 to the commercial distribution fee imposed under Section
23 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
24 2004 and through June 30, 2005, the use in this State of
25 motor vehicles of the second division: (i) with a gross
26 vehicle weight rating in excess of 8,000 pounds; (ii) that

1 are subject to the commercial distribution fee imposed
2 under Section 3-815.1 of the Illinois Vehicle Code; and
3 (iii) that are primarily used for commercial purposes.
4 Through June 30, 2005, this exemption applies to repair
5 and replacement parts added after the initial purchase of
6 such a motor vehicle if that motor vehicle is used in a
7 manner that would qualify for the rolling stock exemption
8 otherwise provided for in this Act. For purposes of this
9 paragraph, "used for commercial purposes" means the
10 transportation of persons or property in furtherance of
11 any commercial or industrial enterprise whether for-hire
12 or not.

13 (13) Proceeds from sales to owners, lessors, or
14 shippers of tangible personal property that is utilized by
15 interstate carriers for hire for use as rolling stock
16 moving in interstate commerce and equipment operated by a
17 telecommunications provider, licensed as a common carrier
18 by the Federal Communications Commission, which is
19 permanently installed in or affixed to aircraft moving in
20 interstate commerce.

21 (14) Machinery and equipment that will be used by the
22 purchaser, or a lessee of the purchaser, primarily in the
23 process of manufacturing or assembling tangible personal
24 property for wholesale or retail sale or lease, whether
25 the sale or lease is made directly by the manufacturer or
26 by some other person, whether the materials used in the

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

21 (15) Proceeds of mandatory service charges separately
22 stated on customers' bills for purchase and consumption of
23 food and beverages, to the extent that the proceeds of the
24 service charge are in fact turned over as tips or as a
25 substitute for tips to the employees who participate
26 directly in preparing, serving, hosting or cleaning up the

1 food or beverage function with respect to which the
2 service charge is imposed.

3 (16) Tangible personal property sold to a purchaser if
4 the purchaser is exempt from use tax by operation of
5 federal law. This paragraph is exempt from the provisions
6 of Section 2-70.

7 (17) Tangible personal property sold to a common
8 carrier by rail or motor that receives the physical
9 possession of the property in Illinois and that transports
10 the property, or shares with another common carrier in the
11 transportation of the property, out of Illinois on a
12 standard uniform bill of lading showing the seller of the
13 property as the shipper or consignor of the property to a
14 destination outside Illinois, for use outside Illinois.

15 (18) Legal tender, currency, medallions, or gold or
16 silver coinage issued by the State of Illinois, the
17 government of the United States of America, or the
18 government of any foreign country, and bullion.

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

1 purchased for lease; but excluding motor vehicles required
2 to be registered under the Illinois Vehicle Code.

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

9 (21) Until July 1, 2023, coal and aggregate
10 exploration, mining, off-highway hauling, processing,
11 maintenance, and reclamation equipment, including
12 replacement parts and equipment, and including equipment
13 purchased for lease, but excluding motor vehicles required
14 to be registered under the Illinois Vehicle Code. The
15 changes made to this Section by Public Act 97-767 apply on
16 and after July 1, 2003, but no claim for credit or refund
17 is allowed on or after August 16, 2013 (the effective date
18 of Public Act 98-456) for such taxes paid during the
19 period beginning July 1, 2003 and ending on August 16,
20 2013 (the effective date of Public Act 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, menstrual pads,
9 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 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. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;
14 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.
15 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,
16 eff. 7-12-19; 101-629, eff. 2-5-20.)

17 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 23 1. The name of the seller;
- 24 2. His residence address and the address of his
25 principal place of business and the address of the

1 principal place of business (if that is a different
2 address) from which he engages in the business of selling
3 tangible personal property at retail in this State;

4 3. Total amount of receipts received by him during the
5 preceding calendar month or quarter, as the case may be,
6 from sales of tangible personal property, and from
7 services furnished, by him during such preceding calendar
8 month or quarter;

9 4. Total amount received by him during the preceding
10 calendar month or quarter on charge and time sales of
11 tangible personal property, and from services furnished,
12 by him prior to the month or quarter for which the return
13 is filed;

14 5. Deductions allowed by law;

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

18 7. The amount of credit provided in Section 2d of this
19 Act;

20 8. The amount of tax due;

21 9. The signature of the taxpayer; and

22 10. Such other reasonable information as the
23 Department may require.

24 On and after January 1, 2018, except for returns for motor
25 vehicles, watercraft, aircraft, and trailers that are required
26 to be registered with an agency of this State, with respect to

1 retailers whose annual gross receipts average \$20,000 or more,
2 all returns required to be filed pursuant to this Act shall be
3 filed electronically. Retailers who demonstrate that they do
4 not have access to the Internet or demonstrate hardship in
5 filing electronically may petition the Department to waive the
6 electronic filing requirement.

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

11 Each return shall be accompanied by the statement of
12 prepaid tax issued pursuant to Section 2e for which credit is
13 claimed.

14 Prior to October 1, 2003, and on and after September 1,
15 2004 a retailer may accept a Manufacturer's Purchase Credit
16 certification from a purchaser in satisfaction of Use Tax as
17 provided in Section 3-85 of the Use Tax Act if the purchaser
18 provides the appropriate documentation as required by Section
19 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
20 certification, accepted by a retailer prior to October 1, 2003
21 and on and after September 1, 2004 as provided in Section 3-85
22 of the Use Tax Act, may be used by that retailer to satisfy
23 Retailers' Occupation Tax liability in the amount claimed in
24 the certification, not to exceed 6.25% of the receipts subject
25 to tax from a qualifying purchase. A Manufacturer's Purchase
26 Credit reported on any original or amended return filed under

1 this Act after October 20, 2003 for reporting periods prior to
2 September 1, 2004 shall be disallowed. Manufacturer's
3 Purchaser Credit reported on annual returns due on or after
4 January 1, 2005 will be disallowed for periods prior to
5 September 1, 2004. No Manufacturer's Purchase Credit may be
6 used after September 30, 2003 through August 31, 2004 to
7 satisfy any tax liability imposed under this Act, including
8 any audit liability.

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; and

2 6. Such other reasonable information as the Department
3 may require.

4 Every person engaged in the business of selling aviation
5 fuel at retail in this State during the preceding calendar
6 month shall, instead of reporting and paying tax as otherwise
7 required by this Section, report and pay such tax on a separate
8 aviation fuel tax return. The requirements related to the
9 return shall be as otherwise provided in this Section.
10 Notwithstanding any other provisions of this Act to the
11 contrary, retailers selling aviation fuel shall file all
12 aviation fuel tax returns and shall make all aviation fuel tax
13 payments by electronic means in the manner and form required
14 by the Department. For purposes of this Section, "aviation
15 fuel" means jet fuel and aviation gasoline.

16 Beginning on October 1, 2003, any person who is not a
17 licensed distributor, importing distributor, or manufacturer,
18 as defined in the Liquor Control Act of 1934, but is engaged in
19 the business of selling, at retail, alcoholic liquor shall
20 file a statement with the Department of Revenue, in a format
21 and at a time prescribed by the Department, showing the total
22 amount paid for alcoholic liquor purchased during the
23 preceding month and such other information as is reasonably
24 required by the Department. The Department may adopt rules to
25 require that this statement be filed in an electronic or
26 telephonic format. Such rules may provide for exceptions from

1 the filing requirements of this paragraph. For the purposes of
2 this paragraph, the term "alcoholic liquor" shall have the
3 meaning prescribed in the Liquor Control Act of 1934.

4 Beginning on October 1, 2003, every distributor, importing
5 distributor, and manufacturer of alcoholic liquor as defined
6 in the Liquor Control Act of 1934, shall file a statement with
7 the Department of Revenue, no later than the 10th day of the
8 month for the preceding month during which transactions
9 occurred, by electronic means, showing the total amount of
10 gross receipts from the sale of alcoholic liquor sold or
11 distributed during the preceding month to purchasers;
12 identifying the purchaser to whom it was sold or distributed;
13 the purchaser's tax registration number; and such other
14 information reasonably required by the Department. A
15 distributor, importing distributor, or manufacturer of
16 alcoholic liquor must personally deliver, mail, or provide by
17 electronic means to each retailer listed on the monthly
18 statement a report containing a cumulative total of that
19 distributor's, importing distributor's, or manufacturer's
20 total sales of alcoholic liquor to that retailer no later than
21 the 10th day of the month for the preceding month during which
22 the transaction occurred. The distributor, importing
23 distributor, or manufacturer shall notify the retailer as to
24 the method by which the distributor, importing distributor, or
25 manufacturer will provide the sales information. If the
26 retailer is unable to receive the sales information by

1 electronic means, the distributor, importing distributor, or
2 manufacturer shall furnish the sales information by personal
3 delivery or by mail. For purposes of this paragraph, the term
4 "electronic means" includes, but is not limited to, the use of
5 a secure Internet website, e-mail, or facsimile.

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

10 Notwithstanding any other provision of this Act to the
11 contrary, retailers subject to tax on cannabis shall file all
12 cannabis tax returns and shall make all cannabis tax payments
13 by electronic means in the manner and form required by the
14 Department.

15 Beginning October 1, 1993, a taxpayer who has an average
16 monthly tax liability of \$150,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. Beginning October 1, 1994, a taxpayer who has
19 an average monthly tax liability of \$100,000 or more shall
20 make all payments required by rules of the Department by
21 electronic funds transfer. Beginning October 1, 1995, a
22 taxpayer who has an average monthly tax liability of \$50,000
23 or more shall make all payments required by rules of the
24 Department by electronic funds transfer. Beginning October 1,
25 2000, a taxpayer who has an annual tax liability of \$200,000 or
26 more shall make all payments required by rules of the

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

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

19 Any taxpayer not required to make payments by electronic
20 funds transfer may make payments by electronic funds transfer
21 with the permission of the Department.

22 All taxpayers required to make payment by electronic funds
23 transfer and any taxpayers authorized to voluntarily make
24 payments by electronic funds transfer shall make those
25 payments in the manner authorized by the Department.

26 The Department shall adopt such rules as are necessary to

1 effectuate a program of electronic funds transfer and the
2 requirements of this Section.

3 Any amount which is required to be shown or reported on any
4 return or other document under this Act shall, if such amount
5 is not a whole-dollar amount, be increased to the nearest
6 whole-dollar amount in any case where the fractional part of a
7 dollar is 50 cents or more, and decreased to the nearest
8 whole-dollar amount where the fractional part of a dollar is
9 less than 50 cents.

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

21 If the retailer is otherwise required to file a monthly or
22 quarterly return and if the retailer's average monthly tax
23 liability with the Department does not exceed \$50, the
24 Department may authorize his returns to be filed on an annual
25 basis, with the return for a given year being due by January 20
26 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 retailer may file his return, in the
6 case of any retailer who ceases to engage in a kind of business
7 which makes him responsible for filing returns under this Act,
8 such retailer shall file a final return under this Act with the
9 Department not more than one month after discontinuing such
10 business.

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

17 In addition, with respect to motor vehicles, watercraft,
18 aircraft, and trailers that are required to be registered with
19 an agency of this State, except as otherwise provided in this
20 Section, every retailer selling this kind of tangible personal
21 property shall file, with the Department, upon a form to be
22 prescribed and supplied by the Department, a separate return
23 for each such item of tangible personal property which the
24 retailer sells, except that if, in the same transaction, (i) a
25 retailer of aircraft, watercraft, motor vehicles or trailers
26 transfers more than one aircraft, watercraft, motor vehicle or

1 trailer to another aircraft, watercraft, motor vehicle
2 retailer or trailer retailer for the purpose of resale or (ii)
3 a retailer of aircraft, watercraft, motor vehicles, or
4 trailers transfers more than one aircraft, watercraft, motor
5 vehicle, or trailer to a purchaser for use as a qualifying
6 rolling stock as provided in Section 2-5 of this Act, then that
7 seller may report the transfer of all aircraft, watercraft,
8 motor vehicles or trailers involved in that transaction to the
9 Department on the same uniform invoice-transaction reporting
10 return form. For purposes of this Section, "watercraft" means
11 a Class 2, Class 3, or Class 4 watercraft as defined in Section
12 3-2 of the Boat Registration and Safety Act, a personal
13 watercraft, or any boat equipped with an inboard motor.

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, every person who is engaged in the
17 business of leasing or renting such items and who, in
18 connection with such business, sells any such item to a
19 retailer for the purpose of resale is, notwithstanding any
20 other provision of this Section to the contrary, authorized to
21 meet the return-filing requirement of this Act by reporting
22 the transfer of all the aircraft, watercraft, motor vehicles,
23 or trailers transferred for resale during a month to the
24 Department on the same uniform invoice-transaction reporting
25 return form on or before the 20th of the month following the
26 month in which the transfer takes place. Notwithstanding any

1 other provision of this Act to the contrary, all returns filed
2 under this paragraph must be filed by electronic means in the
3 manner and form as required by the Department.

4 Any retailer who sells only motor vehicles, watercraft,
5 aircraft, or trailers that are required to be registered with
6 an agency of this State, so that all retailers' occupation tax
7 liability is required to be reported, and is reported, on such
8 transaction reporting returns and who is not otherwise
9 required to file monthly or quarterly returns, need not file
10 monthly or quarterly returns. However, those retailers shall
11 be required to file returns on an annual basis.

12 The transaction reporting return, in the case of motor
13 vehicles or trailers that are required to be registered with
14 an agency of this State, shall be the same document as the
15 Uniform Invoice referred to in Section 5-402 of the Illinois
16 Vehicle Code and must show the name and address of the seller;
17 the name and address of the purchaser; the amount of the
18 selling price including the amount allowed by the retailer for
19 traded-in property, if any; the amount allowed by the retailer
20 for the traded-in tangible personal property, if any, to the
21 extent to which Section 1 of this Act allows an exemption for
22 the value of traded-in property; the balance payable after
23 deducting such trade-in allowance from the total selling
24 price; the amount of tax due from the retailer with respect to
25 such transaction; the amount of tax collected from the
26 purchaser by the retailer on such transaction (or satisfactory

1 evidence that such tax is not due in that particular instance,
2 if that is claimed to be the fact); the place and date of the
3 sale; a sufficient identification of the property sold; such
4 other information as is required in Section 5-402 of the
5 Illinois Vehicle Code, and such other information as the
6 Department may reasonably require.

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

24 Such transaction reporting return shall be filed not later
25 than 20 days after the day of delivery of the item that is
26 being sold, but may be filed by the retailer at any time sooner

1 than that if he chooses to do so. The transaction reporting
2 return and tax remittance or proof of exemption from the
3 Illinois use tax may be transmitted to the Department by way of
4 the State agency with which, or State officer with whom the
5 tangible personal property must be titled or registered (if
6 titling or registration is required) if the Department and
7 such agency or State officer determine that this procedure
8 will expedite the processing of applications for title or
9 registration.

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

23 No retailer's failure or refusal to remit tax under this
24 Act precludes a user, who has paid the proper tax to the
25 retailer, from obtaining his certificate of title or other
26 evidence of title or registration (if titling or registration

1 is required) upon satisfying the Department that such user has
2 paid the proper tax (if tax is due) to the retailer. The
3 Department shall adopt appropriate rules to carry out the
4 mandate of this paragraph.

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

23 Refunds made by the seller during the preceding return
24 period to purchasers, on account of tangible personal property
25 returned to the seller, shall be allowed as a deduction under
26 subdivision 5 of his monthly or quarterly return, as the case

1 may be, in case the seller had theretofore included the
2 receipts from the sale of such tangible personal property in a
3 return filed by him and had paid the tax imposed by this Act
4 with respect to such receipts.

5 Where the seller is a corporation, the return filed on
6 behalf of such corporation shall be signed by the president,
7 vice-president, secretary or treasurer or by the properly
8 accredited agent of such corporation.

9 Where the seller is a limited liability company, the
10 return filed on behalf of the limited liability company shall
11 be signed by a manager, member, or properly accredited agent
12 of the limited liability company.

13 Except as provided in this Section, the retailer filing
14 the return under this Section shall, at the time of filing such
15 return, pay to the Department the amount of tax imposed by this
16 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
17 on and after January 1, 1990, or \$5 per calendar year,
18 whichever is greater, which is allowed to reimburse the
19 retailer for the expenses incurred in keeping records,
20 preparing and filing returns, remitting the tax and supplying
21 data to the Department on request. On and after January 1,
22 2021, a certified service provider, as defined in the Leveling
23 the Playing Field for Illinois Retail Act, filing the return
24 under this Section on behalf of a remote retailer shall, at the
25 time of such return, pay to the Department the amount of tax
26 imposed by this Act less a discount of 1.75%. A remote retailer

1 using a certified service provider to file a return on its
2 behalf, as provided in the Leveling the Playing Field for
3 Illinois Retail Act, is not eligible for the discount. The
4 discount under this Section is not allowed for the 1.25%
5 portion of taxes paid on aviation fuel that is subject to the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
7 47133. Any prepayment made pursuant to Section 2d of this Act
8 shall be included in the amount on which such 2.1% or 1.75%
9 discount is computed. In the case of retailers who report and
10 pay the tax on a transaction by transaction basis, as provided
11 in this Section, such discount shall be taken with each such
12 tax remittance instead of when such retailer files his
13 periodic return. The discount allowed under this Section is
14 allowed only for returns that are filed in the manner required
15 by this Act. The Department may disallow the discount for
16 retailers whose certificate of registration is revoked at the
17 time the return is filed, but only if the Department's
18 decision to revoke the certificate of registration has become
19 final.

20 Before October 1, 2000, if the taxpayer's average monthly
21 tax liability to the Department under this Act, the Use Tax
22 Act, the Service Occupation Tax Act, and the Service Use Tax
23 Act, excluding any liability for prepaid sales tax to be
24 remitted in accordance with Section 2d of this Act, was
25 \$10,000 or more during the preceding 4 complete calendar
26 quarters, he shall file a return with the Department each

1 month by the 20th day of the month next following the month
2 during which such tax liability is incurred and shall make
3 payments to the Department on or before the 7th, 15th, 22nd and
4 last day of the month during which such liability is incurred.
5 On and after October 1, 2000, if the taxpayer's average
6 monthly tax liability to the Department under this Act, the
7 Use Tax Act, the Service Occupation Tax Act, and the Service
8 Use Tax Act, excluding any liability for prepaid sales tax to
9 be remitted in accordance with Section 2d of this Act, was
10 \$20,000 or more during the preceding 4 complete calendar
11 quarters, he shall file a return with the Department each
12 month by the 20th day of the month next following the month
13 during which such tax liability is incurred and shall make
14 payment to the Department on or before the 7th, 15th, 22nd and
15 last day of the month during which such liability is incurred.
16 If the month during which such tax liability is incurred began
17 prior to January 1, 1985, each payment shall be in an amount
18 equal to 1/4 of the taxpayer's actual liability for the month
19 or an amount set by the Department not to exceed 1/4 of the
20 average monthly liability of the taxpayer to the Department
21 for the preceding 4 complete calendar quarters (excluding the
22 month of highest liability and the month of lowest liability
23 in such 4 quarter period). If the month during which such tax
24 liability is incurred begins on or after January 1, 1985 and
25 prior to January 1, 1987, each payment shall be in an amount
26 equal to 22.5% of the taxpayer's actual liability for the

1 month or 27.5% of the taxpayer's liability for the same
2 calendar month of the preceding year. If the month during
3 which such tax liability is incurred begins on or after
4 January 1, 1987 and prior to January 1, 1988, each payment
5 shall be in an amount equal to 22.5% of the taxpayer's actual
6 liability for the month or 26.25% of the taxpayer's liability
7 for the same calendar month of the preceding year. If the month
8 during which such tax liability is incurred begins on or after
9 January 1, 1988, and prior to January 1, 1989, or begins on or
10 after January 1, 1996, each payment shall be in an amount equal
11 to 22.5% of the taxpayer's actual liability for the month or
12 25% of the taxpayer's liability for the same calendar month of
13 the preceding year. If the month during which such tax
14 liability is incurred begins on or after January 1, 1989, and
15 prior to January 1, 1996, each payment shall be in an amount
16 equal to 22.5% of the taxpayer's actual liability for the
17 month or 25% of the taxpayer's liability for the same calendar
18 month of the preceding year or 100% of the taxpayer's actual
19 liability for the quarter monthly reporting period. The amount
20 of such quarter monthly payments shall be credited against the
21 final tax liability of the taxpayer's return for that month.
22 Before October 1, 2000, once applicable, the requirement of
23 the making of quarter monthly payments to the Department by
24 taxpayers having an average monthly tax liability of \$10,000
25 or more as determined in the manner provided above shall
26 continue until such taxpayer's average monthly liability to

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

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

18 The provisions of this paragraph apply before October 1,
19 2001. Without regard to whether a taxpayer is required to make
20 quarter monthly payments as specified above, any taxpayer who
21 is required by Section 2d of this Act to collect and remit
22 prepaid taxes and has collected prepaid taxes which average in
23 excess of \$25,000 per month during the preceding 2 complete
24 calendar quarters, shall file a return with the Department as
25 required by Section 2f and shall make payments to the
26 Department on or before the 7th, 15th, 22nd and last day of the

1 month during which such liability is incurred. If the month
2 during which such tax liability is incurred began prior to
3 September 1, 1985 (the effective date of Public Act 84-221),
4 each payment shall be in an amount not less than 22.5% of the
5 taxpayer's actual liability under Section 2d. If the month
6 during which such tax liability is incurred begins on or after
7 January 1, 1986, each payment shall be in an amount equal to
8 22.5% of the taxpayer's actual liability for the month or
9 27.5% of the taxpayer's liability for the same calendar month
10 of the preceding calendar year. If the month during which such
11 tax liability is incurred begins on or after January 1, 1987,
12 each payment shall be in an amount equal to 22.5% of the
13 taxpayer's actual liability for the month or 26.25% of the
14 taxpayer's liability for the same calendar month of the
15 preceding year. The amount of such quarter monthly payments
16 shall be credited against the final tax liability of the
17 taxpayer's return for that month filed under this Section or
18 Section 2f, as the case may be. Once applicable, the
19 requirement of the making of quarter monthly payments to the
20 Department pursuant to this paragraph shall continue until
21 such taxpayer's average monthly prepaid tax collections during
22 the preceding 2 complete calendar quarters is \$25,000 or less.
23 If any such quarter monthly payment is not paid at the time or
24 in the amount required, the taxpayer shall be liable for
25 penalties and interest on such difference, except insofar as
26 the taxpayer has previously made payments for that month in

1 excess of the minimum payments previously due.

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

1 than \$20,000. If any such quarter monthly payment is not paid
2 at the time or in the amount required, the taxpayer shall be
3 liable for penalties and interest on such difference, except
4 insofar as the taxpayer has previously made payments for that
5 month in excess of the minimum payments previously due.

6 If any payment provided for in this Section exceeds the
7 taxpayer's liabilities under this Act, the Use Tax Act, the
8 Service Occupation Tax Act and the Service Use Tax Act, as
9 shown on an original monthly return, the Department shall, if
10 requested by the taxpayer, issue to the taxpayer a credit
11 memorandum no later than 30 days after the date of payment. The
12 credit evidenced by such credit memorandum may be assigned by
13 the taxpayer to a similar taxpayer under this Act, the Use Tax
14 Act, the Service Occupation Tax Act or the Service Use Tax Act,
15 in accordance with reasonable rules and regulations to be
16 prescribed by the Department. If no such request is made, the
17 taxpayer may credit such excess payment against tax liability
18 subsequently to be remitted to the Department under this Act,
19 the Use Tax Act, the Service Occupation Tax Act or the Service
20 Use Tax Act, in accordance with reasonable rules and
21 regulations prescribed by the Department. If the Department
22 subsequently determined that all or any part of the credit
23 taken was not actually due to the taxpayer, the taxpayer's
24 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or
25 1.75% of the difference between the credit taken and that
26 actually due, and that taxpayer shall be liable for penalties

1 and interest on such difference.

2 If a retailer of motor fuel is entitled to a credit under
3 Section 2d of this Act which exceeds the taxpayer's liability
4 to the Department under this Act for the month which the
5 taxpayer is filing a return, the Department shall issue the
6 taxpayer a credit memorandum for the excess.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the Local Government Tax Fund, a special fund in the
9 State treasury which is hereby created, the net revenue
10 realized for the preceding month from the 1% tax imposed under
11 this Act.

12 Beginning January 1, 1990, each month the Department shall
13 pay into the County and Mass Transit District Fund, a special
14 fund in the State treasury which is hereby created, 4% of the
15 net revenue realized for the preceding month from the 6.25%
16 general rate other than aviation fuel sold on or after
17 December 1, 2019. This exception for aviation fuel only
18 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 Beginning August 1, 2000, each month the Department shall
21 pay into the County and Mass Transit District Fund 20% of the
22 net revenue realized for the preceding month from the 1.25%
23 rate on the selling price of motor fuel and gasohol. Beginning
24 September 1, 2010, each month the Department shall pay into
25 the County and Mass Transit District Fund 20% of the net
26 revenue realized for the preceding month from the 1.25% rate

1 on the selling price of sales tax holiday items.

2 Beginning January 1, 1990, each month the Department shall
3 pay into the Local Government Tax Fund 16% of the net revenue
4 realized for the preceding month from the 6.25% general rate
5 on the selling price of tangible personal property other than
6 aviation fuel sold on or after December 1, 2019. This
7 exception for aviation fuel only applies for so long as the
8 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
9 47133 are binding on the State.

10 For aviation fuel sold on or after December 1, 2019, each
11 month the Department shall pay into the State Aviation Program
12 Fund 20% of the net revenue realized for the preceding month
13 from the 6.25% general rate on the selling price of aviation
14 fuel, less an amount estimated by the Department to be
15 required for refunds of the 20% portion of the tax on aviation
16 fuel under this Act, which amount shall be deposited into the
17 Aviation Fuel Sales Tax Refund Fund. The Department shall only
18 pay moneys into the State Aviation Program Fund and the
19 Aviation Fuel Sales Tax Refund Fund under this Act 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 State.

22 Beginning August 1, 2000, each month the Department shall
23 pay into the Local Government Tax Fund 80% of the net revenue
24 realized for the preceding month from the 1.25% rate on the
25 selling price of motor fuel and gasohol. Beginning September
26 1, 2010, each month the Department shall pay into the Local

1 Government Tax Fund 80% of the net revenue realized for the
2 preceding month from the 1.25% rate on the selling price of
3 sales tax holiday items.

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

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

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

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

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

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

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

8	Fiscal Year	Annual Specified Amount
9	1986	\$54,800,000
10	1987	\$76,650,000
11	1988	\$80,480,000
12	1989	\$88,510,000
13	1990	\$115,330,000
14	1991	\$145,470,000
15	1992	\$182,730,000
16	1993	\$206,520,000;

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

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

1 13 of the Build Illinois Bond Act, an amount equal to such
2 deficiency shall be immediately paid from other moneys
3 received by the Department pursuant to the Tax Acts to the
4 Build Illinois Fund; provided, however, that any amounts paid
5 to the Build Illinois Fund in any fiscal year pursuant to this
6 sentence shall be deemed to constitute payments pursuant to
7 clause (b) of the first sentence of this paragraph and shall
8 reduce the amount otherwise payable for such fiscal year
9 pursuant to that clause (b). The moneys received by the
10 Department pursuant to this Act and required to be deposited
11 into the Build Illinois Fund are subject to the pledge, claim
12 and charge set forth in Section 12 of the Build Illinois Bond
13 Act.

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

26 Fiscal Year

Total Deposit

1	1993	\$0
2	1994	53,000,000
3	1995	58,000,000
4	1996	61,000,000
5	1997	64,000,000
6	1998	68,000,000
7	1999	71,000,000
8	2000	75,000,000
9	2001	80,000,000
10	2002	93,000,000
11	2003	99,000,000
12	2004	103,000,000
13	2005	108,000,000
14	2006	113,000,000
15	2007	119,000,000
16	2008	126,000,000
17	2009	132,000,000
18	2010	139,000,000
19	2011	146,000,000
20	2012	153,000,000
21	2013	161,000,000
22	2014	170,000,000
23	2015	179,000,000
24	2016	189,000,000
25	2017	199,000,000
26	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	300,000,000
4	2022	300,000,000
5	2023	300,000,000
6	2024	300,000,000
7	2025	300,000,000
8	2026	300,000,000
9	2027	375,000,000
10	2028	375,000,000
11	2029	375,000,000
12	2030	375,000,000
13	2031	375,000,000
14	2032	375,000,000
15	2033	375,000,000
16	2034	375,000,000
17	2035	375,000,000
18	2036	450,000,000

19 and
20 each fiscal year
21 thereafter that bonds
22 are outstanding under
23 Section 13.2 of the
24 Metropolitan Pier and
25 Exposition Authority Act,
26 but not after fiscal year 2060.

1 Beginning July 20, 1993 and in each month of each fiscal
2 year thereafter, one-eighth of the amount requested in the
3 certificate of the Chairman of the Metropolitan Pier and
4 Exposition Authority for that fiscal year, less the amount
5 deposited into the McCormick Place Expansion Project Fund by
6 the State Treasurer in the respective month under subsection
7 (g) of Section 13 of the Metropolitan Pier and Exposition
8 Authority Act, plus cumulative deficiencies in the deposits
9 required under this Section for previous months and years,
10 shall be deposited into the McCormick Place Expansion Project
11 Fund, until the full amount requested for the fiscal year, but
12 not in excess of the amount specified above as "Total
13 Deposit", has been deposited.

14 Subject to payment of amounts into the Capital Projects
15 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
16 and the McCormick Place Expansion Project Fund pursuant to the
17 preceding paragraphs or in any amendments thereto hereafter
18 enacted, for aviation fuel sold on or after December 1, 2019,
19 the Department shall each month deposit into the Aviation Fuel
20 Sales Tax Refund Fund an amount estimated by the Department to
21 be required for refunds of the 80% portion of the tax on
22 aviation fuel under this Act. The Department shall only
23 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
24 under this paragraph for so long as the revenue use
25 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
26 binding on the State.

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

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

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

1 the first calendar month to occur on or after August 26, 2014
2 (the effective date of Public Act 98-1098), each month, from
3 the collections made under Section 9 of the Use Tax Act,
4 Section 9 of the Service Use Tax Act, Section 9 of the Service
5 Occupation Tax Act, and Section 3 of the Retailers' Occupation
6 Tax Act, the Department shall pay into the Tax Compliance and
7 Administration Fund, to be used, subject to appropriation, to
8 fund additional auditors and compliance personnel at the
9 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
10 the cash receipts collected during the preceding fiscal year
11 by the Audit Bureau of the Department under the Use Tax Act,
12 the Service Use Tax Act, the Service Occupation Tax Act, the
13 Retailers' Occupation Tax Act, and associated local occupation
14 and use taxes administered by the Department.

15 Subject to payments of amounts into the Build Illinois
16 Fund, the McCormick Place Expansion Project Fund, the Illinois
17 Tax Increment Fund, the Energy Infrastructure Fund, and the
18 Tax Compliance and Administration Fund as provided in this
19 Section, beginning on July 1, 2018 the Department shall pay
20 each month into the Downstate Public Transportation Fund the
21 moneys required to be so paid under Section 2-3 of the
22 Downstate Public Transportation Act.

23 Subject to successful execution and delivery of a
24 public-private agreement between the public agency and private
25 entity and completion of the civic build, beginning on July 1,
26 2023, of the remainder of the moneys received by the

1 Department under the Use Tax Act, the Service Use Tax Act, the
 2 Service Occupation Tax Act, and this Act, the Department shall
 3 deposit the following specified deposits in the aggregate from
 4 collections under the Use Tax Act, the Service Use Tax Act, the
 5 Service Occupation Tax Act, and the Retailers' Occupation Tax
 6 Act, as required under Section 8.25g of the State Finance Act
 7 for distribution consistent with the Public-Private
 8 Partnership for Civic and Transit Infrastructure Project Act.
 9 The moneys received by the Department pursuant to this Act and
 10 required to be deposited into the Civic and Transit
 11 Infrastructure Fund are subject to the pledge, claim and
 12 charge set forth in Section 25-55 of the Public-Private
 13 Partnership for Civic and Transit Infrastructure Project Act.
 14 As used in this paragraph, "civic build", "private entity",
 15 "public-private agreement", and "public agency" have the
 16 meanings provided in Section 25-10 of the Public-Private
 17 Partnership for Civic and Transit Infrastructure Project Act.

18	Fiscal Year.....	Total Deposit
19	2024	\$200,000,000
20	2025	\$206,000,000
21	2026	\$212,200,000
22	2027	\$218,500,000
23	2028	\$225,100,000
24	2029	\$288,700,000
25	2030	\$298,900,000
26	2031	\$309,300,000

1	2032	.....	\$320,100,000
2	2033	.....	\$331,200,000
3	2034	.....	\$341,200,000
4	2035	.....	\$351,400,000
5	2036	.....	\$361,900,000
6	2037	.....	\$372,800,000
7	2038	.....	\$384,000,000
8	2039	.....	\$395,500,000
9	2040	.....	\$407,400,000
10	2041	.....	\$419,600,000
11	2042	.....	\$432,200,000
12	2043	.....	\$445,100,000

13 Beginning July 1, 2021 and until July 1, 2022, subject to
14 the payment of amounts into the County and Mass Transit
15 District Fund, the Local Government Tax Fund, the Build
16 Illinois Fund, the McCormick Place Expansion Project Fund, the
17 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
18 and the Tax Compliance and Administration Fund as provided in
19 this Section, the Department shall pay each month into the
20 Road Fund the amount estimated to represent 16% of the net
21 revenue realized from the taxes imposed on motor fuel and
22 gasohol. Beginning July 1, 2022 and until July 1, 2023,
23 subject to the payment of amounts into the County and Mass
24 Transit District Fund, the Local Government Tax Fund, the
25 Build Illinois Fund, the McCormick Place Expansion Project
26 Fund, the Illinois Tax Increment Fund, the Energy

1 Infrastructure Fund, and the Tax Compliance and Administration
2 Fund as provided in this Section, the Department shall pay
3 each month into the Road Fund the amount estimated to
4 represent 32% of the net revenue realized from the taxes
5 imposed on motor fuel and gasohol. Beginning July 1, 2023 and
6 until July 1, 2024, subject to the payment of amounts into the
7 County and Mass Transit District Fund, the Local Government
8 Tax Fund, the Build Illinois Fund, the McCormick Place
9 Expansion Project Fund, the Illinois Tax Increment Fund, the
10 Energy Infrastructure Fund, and the Tax Compliance and
11 Administration Fund as provided in this Section, the
12 Department shall pay each month into the Road Fund the amount
13 estimated to represent 48% of the net revenue realized from
14 the taxes imposed on motor fuel and gasohol. Beginning July 1,
15 2024 and until July 1, 2025, subject to the payment of amounts
16 into the County and Mass Transit District Fund, the Local
17 Government Tax Fund, the Build Illinois Fund, the McCormick
18 Place Expansion Project Fund, the Illinois Tax Increment Fund,
19 the 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 64% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. Beginning on July
24 1, 2025, subject to the payment of amounts into the County and
25 Mass Transit District Fund, the Local Government Tax Fund, the
26 Build Illinois Fund, the McCormick Place Expansion Project

1 Fund, the Illinois Tax Increment Fund, the Energy
2 Infrastructure Fund, and the Tax Compliance and Administration
3 Fund as provided in this Section, the Department shall pay
4 each month into the Road Fund the amount estimated to
5 represent 80% of the net revenue realized from the taxes
6 imposed on motor fuel and gasohol. As used in this paragraph
7 "motor fuel" has the meaning given to that term in Section 1.1
8 of the Motor Fuel Tax Act, and "gasohol" has the meaning given
9 to that term in Section 3-40 of the Use Tax Act.

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

16 The Department may, upon separate written notice to a
17 taxpayer, require the taxpayer to prepare and file with the
18 Department on a form prescribed by the Department within not
19 less than 60 days after receipt of the notice an annual
20 information return for the tax year specified in the notice.
21 Such annual return to the Department shall include a statement
22 of gross receipts as shown by the retailer's last Federal
23 income tax return. If the total receipts of the business as
24 reported in the Federal income tax return do not agree with the
25 gross receipts reported to the Department of Revenue for the
26 same period, the retailer shall attach to his annual return a

1 schedule showing a reconciliation of the 2 amounts and the
2 reasons for the difference. The retailer's annual return to
3 the Department shall also disclose the cost of goods sold by
4 the retailer during the year covered by such return, opening
5 and closing inventories of such goods for such year, costs of
6 goods used from stock or taken from stock and given away by the
7 retailer during such year, payroll information of the
8 retailer's business during such year and any additional
9 reasonable information which the Department deems would be
10 helpful in determining the accuracy of the monthly, quarterly
11 or annual returns filed by such retailer as provided for in
12 this Section.

13 If the annual information return required by this Section
14 is not filed when and as required, the taxpayer shall be liable
15 as follows:

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

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

26 The chief executive officer, proprietor, owner or highest

1 ranking manager shall sign the annual return to certify the
2 accuracy of the information contained therein. Any person who
3 willfully signs the annual return containing false or
4 inaccurate information shall be guilty of perjury and punished
5 accordingly. The annual return form prescribed by the
6 Department shall include a warning that the person signing the
7 return may be liable for perjury.

8 The provisions of this Section concerning the filing of an
9 annual information return do not apply to a retailer who is not
10 required to file an income tax return with the United States
11 Government.

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

19 Net revenue realized for a month shall be the revenue
20 collected by the State pursuant to this Act, less the amount
21 paid out during that month as refunds to taxpayers for
22 overpayment of liability.

23 For greater simplicity of administration, manufacturers,
24 importers and wholesalers whose products are sold at retail in
25 Illinois by numerous retailers, and who wish to do so, may
26 assume the responsibility for accounting and paying to the

1 Department all tax accruing under this Act with respect to
2 such sales, if the retailers who are affected do not make
3 written objection to the Department to this arrangement.

4 Any person who promotes, organizes, provides retail
5 selling space for concessionaires or other types of sellers at
6 the Illinois State Fair, DuQuoin State Fair, county fairs,
7 local fairs, art shows, flea markets and similar exhibitions
8 or events, including any transient merchant as defined by
9 Section 2 of the Transient Merchant Act of 1987, is required to
10 file a report with the Department providing the name of the
11 merchant's business, the name of the person or persons engaged
12 in merchant's business, the permanent address and Illinois
13 Retailers Occupation Tax Registration Number of the merchant,
14 the dates and location of the event and other reasonable
15 information that the Department may require. The report must
16 be filed not later than the 20th day of the month next
17 following the month during which the event with retail sales
18 was held. Any person who fails to file a report required by
19 this Section commits a business offense and is subject to a
20 fine not to exceed \$250.

21 Any person engaged in the business of selling tangible
22 personal property at retail as a concessionaire or other type
23 of seller at the Illinois State Fair, county fairs, art shows,
24 flea markets and similar exhibitions or events, or any
25 transient merchants, as defined by Section 2 of the Transient
26 Merchant Act of 1987, may be required to make a daily report of

1 the amount of such sales to the Department and to make a daily
2 payment of the full amount of tax due. The Department shall
3 impose this requirement when it finds that there is a
4 significant risk of loss of revenue to the State at such an
5 exhibition or event. Such a finding shall be based on evidence
6 that a substantial number of concessionaires or other sellers
7 who are not residents of Illinois will be engaging in the
8 business of selling tangible personal property at retail at
9 the exhibition or event, or other evidence of a significant
10 risk of loss of revenue to the State. The Department shall
11 notify concessionaires and other sellers affected by the
12 imposition of this requirement. In the absence of notification
13 by the Department, the concessionaires and other sellers shall
14 file their returns as otherwise required in this Section.

15 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
16 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
17 15, Section 15-25, eff. 6-5-19; 101-10, Article 25, Section
18 25-120, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
19 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

20 Section 10. The Leveling the Playing Field for Illinois
21 Retail Act is amended by changing Sections 5-5 and 5-25 as
22 follows:

23 (35 ILCS 185/5-5)

24 Sec. 5-5. Findings. The General Assembly finds that

1 certified service providers and certified automated systems
2 simplify use and occupation tax compliance for remote
3 retailers, which fosters higher levels of accurate tax
4 collection and remittance and generates administrative savings
5 and new marginal tax revenue for both State and local taxing
6 jurisdictions. By making the services of certified service
7 providers and certified automated systems available to remote
8 retailers ~~without charge, other than their retailer customer's~~
9 ~~retail discount,~~ as provided in this Act, the State will
10 substantially eliminate the burden on those remote retailers
11 to collect and remit both State and local taxing jurisdiction
12 use and occupation taxes. While providing a means for remote
13 retailers to collect and remit tax on an even basis with
14 Illinois retailers, this Act also protects existing local tax
15 revenue streams by retaining origin sourcing for all
16 transactions by retailers maintaining a physical presence in
17 Illinois.

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

19 (35 ILCS 185/5-25)

20 Sec. 5-25. Certification.

21 (a) The Department shall, no later than July 1, 2020:

22 (1) establish uniform minimum standards that companies
23 wishing to be designated as a certified service provider
24 in this State must meet;

25 (2) establish uniform minimum standards that certified

1 automated systems must meet;

2 (3) establish a certification process to review the
3 systems of companies wishing to be designated as a
4 certified service provider in this State or of companies
5 wishing to use a certified automated process; this
6 certification process shall provide that companies that
7 meet all required standards and whose systems have been
8 tested and approved by the Department for properly
9 determining the taxability of items to be sold, the
10 correct tax rate to apply to a transaction, and the
11 appropriate jurisdictions to which the tax shall be
12 remitted, shall be certified;

13 (4) enter into a contractual relationship with each
14 company that qualifies as a certified service provider ~~or~~
15 ~~that will be using a certified automated system~~; those
16 contracts shall, at a minimum, provide:

17 (A) that the certified service provider shall be
18 held liable for the tax imposed under this Act and the
19 Use Tax Act and all applicable local occupation taxes
20 administered by the Department if the certified
21 service provider fails to correctly remit the tax
22 after having been provided with the tax and
23 information by a remote retailer to correctly remit
24 the taxes imposed under this Act and the Use Tax Act
25 and all applicable local occupation taxes administered
26 by the Department; if the certified service provider

1 demonstrates to the satisfaction of the Department
2 that its failure to correctly remit tax on a retail
3 sale resulted from the certified service provider's
4 good faith reliance on incorrect or insufficient
5 information provided by the remote retailer, the
6 certified service provider shall be relieved of
7 liability for the tax on that retail sale; in that
8 case, the remote retailer is liable for any resulting
9 tax due;

10 (B) the responsibilities of the certified service
11 provider and the remote retailers that contract with
12 the certified service provider ~~or the user of a~~
13 ~~certified automated system~~ related to record keeping
14 and auditing consistent with requirements imposed
15 under the Retailers' Occupation Tax Act and the Use
16 Tax Act;

17 (C) for the protection and confidentiality of tax
18 information consistent with requirements imposed under
19 the Retailers' Occupation Tax Act and the Use Tax Act;

20 (D) that a certified service provider may claim
21 the discount provided for in Section 3 of the
22 Retailers' Occupation Tax Act for the tax dollars it
23 collects and timely remits on returns that are timely
24 filed with the Department on behalf of remote
25 retailers; remote retailers using a certified service
26 provider may not claim the discount allowed in Section

1 3 of the Retailers' Occupation Tax Act with respect to
2 those collections ~~compensation equal to 1.75% of the~~
3 ~~tax dollars collected and remitted to the State by a~~
4 ~~certified service provider on a timely basis, along~~
5 ~~with a return that has been timely filed, on behalf of~~
6 ~~remote retailers; remote retailers using a certified~~
7 ~~service provider may not claim the vendor's discount~~
8 ~~allowed under the Retailers' Occupation Tax Act or the~~
9 ~~Service Occupation Tax Act; and~~

10 (E) that the certified service provider shall file
11 a separate return for each remote retailer with which
12 it has a Tax Remittance Agreement.

13 The provisions of this Section shall supersede the
14 provisions of the Illinois Procurement Code.

15 (b) The Department may act jointly with other states to
16 establish the minimum standards and process for certification
17 required by paragraphs (1), (2), and (3) of subsection (a).

18 (c) When the systems of a certified service provider or
19 certified automated systems are updated or upgraded, they must
20 be recertified by the Department. Notification of changes
21 shall be provided to the Department prior to implementation.
22 Upon receipt of such notification, the Department shall review
23 and test the changes to assess whether the updated system of
24 the certified service provider or the updated certified
25 automated system can properly determine the taxability of
26 items to be sold, the correct tax rate to apply to a

1 transaction, and the appropriate jurisdictions to which the
2 tax shall be remitted. The Department shall recertify updated
3 systems that meet these requirements. The certified service
4 provider or retailer using a certified automated system shall
5 be liable for any tax resulting from errors caused by use of an
6 updated or upgraded system prior to recertification by the
7 Department. In addition to these procedures, the Department
8 may periodically review the system of a certified service
9 provider or the certified automated system used by a retailer
10 to ensure that the system can properly determine the
11 taxability of items to be sold, the correct tax rate to apply
12 to a transaction, and the appropriate jurisdictions to which
13 the tax shall be remitted.

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

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."