



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB6692

by Rep. Sidney H. Mathias

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-10	from Ch. 120, par. 439.3-10
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	from Ch. 120, par. 441-10
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act. Provides that, during the period from August 22, 2008 through September 1, 2008 and again from the first Friday in August through the Sunday that occurs 9 days later in 2009 and each year thereafter, the tax imposed under the Acts on the selling price of certain school supplies, clothing, computers, and computer software shall be imposed at the rate of 1.25%. Sets forth the distribution of the proceeds. Amends the State Finance Act to make conforming changes. Effective immediately.

LRB095 22135 HLH 52424 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by changing  
5 Sections 6z-18 and 6z-20 as follows:

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

7 Sec. 6z-18. A portion of the money paid into the Local  
8 Government Tax Fund from sales of food for human consumption  
9 which is to be consumed off the premises where it is sold  
10 (other than alcoholic beverages, soft drinks and food which has  
11 been prepared for immediate consumption) and prescription and  
12 nonprescription medicines, drugs, medical appliances and  
13 insulin, urine testing materials, syringes and needles used by  
14 diabetics, which occurred in municipalities, shall be  
15 distributed to each municipality based upon the sales which  
16 occurred in that municipality. The remainder shall be  
17 distributed to each county based upon the sales which occurred  
18 in the unincorporated area of that county.

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be

1 distributed to municipalities as provided in this paragraph.  
2 Each municipality shall receive the amount attributable to  
3 sales for which Illinois addresses for titling or registration  
4 purposes are given as being in such municipality. The remainder  
5 of the money paid into the Local Government Tax Fund from such  
6 sales shall be distributed to counties. Each county shall  
7 receive the amount attributable to sales for which Illinois  
8 addresses for titling or registration purposes are given as  
9 being located in the unincorporated area of such county.

10 A portion of the money paid into the Local Government Tax  
11 Fund from the 6.25% general rate (and, beginning July 1, 2000  
12 and through December 31, 2000, the 1.25% rate on motor fuel and  
13 gasohol and, from August 22, 2008 through September 1, 2008 and  
14 again from the first Friday in August through the Sunday that  
15 occurs 9 days later in 2009 and each year thereafter, the 1.25%  
16 rate imposed on school supplies, clothing, computers, and  
17 computer software) on sales subject to taxation under the  
18 Retailers' Occupation Tax Act and the Service Occupation Tax  
19 Act, which occurred in municipalities, shall be distributed to  
20 each municipality, based upon the sales which occurred in that  
21 municipality. The remainder shall be distributed to each  
22 county, based upon the sales which occurred in the  
23 unincorporated area of such county.

24 For the purpose of determining allocation to the local  
25 government unit, a retail sale by a producer of coal or other  
26 mineral mined in Illinois is a sale at retail at the place

1 where the coal or other mineral mined in Illinois is extracted  
2 from the earth. This paragraph does not apply to coal or other  
3 mineral when it is delivered or shipped by the seller to the  
4 purchaser at a point outside Illinois so that the sale is  
5 exempt under the United States Constitution as a sale in  
6 interstate or foreign commerce.

7 Whenever the Department determines that a refund of money  
8 paid into the Local Government Tax Fund should be made to a  
9 claimant instead of issuing a credit memorandum, the Department  
10 shall notify the State Comptroller, who shall cause the order  
11 to be drawn for the amount specified, and to the person named,  
12 in such notification from the Department. Such refund shall be  
13 paid by the State Treasurer out of the Local Government Tax  
14 Fund.

15 On or before the 25th day of each calendar month, the  
16 Department shall prepare and certify to the Comptroller the  
17 disbursement of stated sums of money to named municipalities  
18 and counties, the municipalities and counties to be those  
19 entitled to distribution of taxes or penalties paid to the  
20 Department during the second preceding calendar month. The  
21 amount to be paid to each municipality or county shall be the  
22 amount (not including credit memoranda) collected during the  
23 second preceding calendar month by the Department and paid into  
24 the Local Government Tax Fund, plus an amount the Department  
25 determines is necessary to offset any amounts which were  
26 erroneously paid to a different taxing body, and not including

1 an amount equal to the amount of refunds made during the second  
2 preceding calendar month by the Department, and not including  
3 any amount which the Department determines is necessary to  
4 offset any amounts which are payable to a different taxing body  
5 but were erroneously paid to the municipality or county. Within  
6 10 days after receipt, by the Comptroller, of the disbursement  
7 certification to the municipalities and counties, provided for  
8 in this Section to be given to the Comptroller by the  
9 Department, the Comptroller shall cause the orders to be drawn  
10 for the respective amounts in accordance with the directions  
11 contained in such certification.

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

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

24 In construing any development, redevelopment, annexation,  
25 preannexation or other lawful agreement in effect prior to  
26 September 1, 1990, which describes or refers to receipts from a

1 county or municipal retailers' occupation tax, use tax or  
2 service occupation tax which now cannot be imposed, such  
3 description or reference shall be deemed to include the  
4 replacement revenue for such abolished taxes, distributed from  
5 the Local Government Tax Fund.

6 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,  
7 eff. 7-1-00.)

8 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

9 Sec. 6z-20. Of the money received from the 6.25% general  
10 rate (and, beginning July 1, 2000 and through December 31,  
11 2000, the 1.25% rate on motor fuel and gasohol and, from August  
12 22, 2008 through September 1, 2008 and again from the first  
13 Friday in August through the Sunday that occurs 9 days later in  
14 2009 and each year thereafter, the 1.25% rate imposed on school  
15 supplies, clothing, computers, and computer software) on sales  
16 subject to taxation under the Retailers' Occupation Tax Act and  
17 Service Occupation Tax Act and paid into the County and Mass  
18 Transit District Fund, distribution to the Regional  
19 Transportation Authority tax fund, created pursuant to Section  
20 4.03 of the Regional Transportation Authority Act, for deposit  
21 therein shall be made based upon the retail sales occurring in  
22 a county having more than 3,000,000 inhabitants. The remainder  
23 shall be distributed to each county having 3,000,000 or fewer  
24 inhabitants based upon the retail sales occurring in each such  
25 county.

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

10 Of the money received from the 6.25% general use tax rate  
11 on tangible personal property which is purchased outside  
12 Illinois at retail from a retailer and which is titled or  
13 registered by any agency of this State's government and paid  
14 into the County and Mass Transit District Fund, the amount for  
15 which Illinois addresses for titling or registration purposes  
16 are given as being in each county having more than 3,000,000  
17 inhabitants shall be distributed into the Regional  
18 Transportation Authority tax fund, created pursuant to Section  
19 4.03 of the Regional Transportation Authority Act. The  
20 remainder of the money paid from such sales shall be  
21 distributed to each county based on sales for which Illinois  
22 addresses for titling or registration purposes are given as  
23 being located in the county. Any money paid into the Regional  
24 Transportation Authority Occupation and Use Tax Replacement  
25 Fund from the County and Mass Transit District Fund prior to  
26 January 14, 1991, which has not been paid to the Authority

1 prior to that date, shall be transferred to the Regional  
2 Transportation Authority tax fund.

3 Whenever the Department determines that a refund of money  
4 paid into the County and Mass Transit District Fund should be  
5 made to a claimant instead of issuing a credit memorandum, the  
6 Department shall notify the State Comptroller, who shall cause  
7 the order to be drawn for the amount specified, and to the  
8 person named, in such notification from the Department. Such  
9 refund shall be paid by the State Treasurer out of the County  
10 and Mass Transit District Fund.

11 On or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to the Regional  
14 Transportation Authority and to named counties, the counties to  
15 be those entitled to distribution, as hereinabove provided, of  
16 taxes or penalties paid to the Department during the second  
17 preceding calendar month. The amount to be paid to the Regional  
18 Transportation Authority and each county having 3,000,000 or  
19 fewer inhabitants shall be the amount (not including credit  
20 memoranda) collected during the second preceding calendar  
21 month by the Department and paid into the County and Mass  
22 Transit District Fund, plus an amount the Department determines  
23 is necessary to offset any amounts which were erroneously paid  
24 to a different taxing body, and not including an amount equal  
25 to the amount of refunds made during the second preceding  
26 calendar month by the Department, and not including any amount



1 which the Department determines is necessary to offset any  
2 amounts which were payable to a different taxing body but were  
3 erroneously paid to the Regional Transportation Authority or  
4 county. Within 10 days after receipt, by the Comptroller, of  
5 the disbursement certification to the Regional Transportation  
6 Authority and counties, provided for in this Section to be  
7 given to the Comptroller by the Department, the Comptroller  
8 shall cause the orders to be drawn for the respective amounts  
9 in accordance with the directions contained in such  
10 certification.

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

18 The provisions directing the distributions from the  
19 special fund in the State Treasury provided for in this Section  
20 and from the Regional Transportation Authority tax fund created  
21 by Section 4.03 of the Regional Transportation Authority Act  
22 shall constitute an irrevocable and continuing appropriation  
23 of all amounts as provided herein. The State Treasurer and  
24 State Comptroller are hereby authorized to make distributions  
25 as provided in this Section.

26 In construing any development, redevelopment, annexation,

1 preannexation or other lawful agreement in effect prior to  
2 September 1, 1990, which describes or refers to receipts from a  
3 county or municipal retailers' occupation tax, use tax or  
4 service occupation tax which now cannot be imposed, such  
5 description or reference shall be deemed to include the  
6 replacement revenue for such abolished taxes, distributed from  
7 the County and Mass Transit District Fund or Local Government  
8 Distributive Fund, as the case may be.

9 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

10 Section 10. The Use Tax Act is amended by changing Sections  
11 3-10 and 9 as follows:

12 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

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

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

14 With respect to gasohol, the tax imposed by this Act  
15 applies to (i) 70% of the proceeds of sales made on or after  
16 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
17 proceeds of sales made on or after July 1, 2003 and on or  
18 before December 31, 2013, and (iii) 100% of the proceeds of  
19 sales made thereafter. If, at any time, however, the tax under  
20 this Act on sales of gasohol is imposed at the rate of 1.25%,  
21 then the tax imposed by this Act applies to 100% of the  
22 proceeds of sales of gasohol made during that time.

23 With respect to majority blended ethanol fuel, the tax  
24 imposed by this Act does not apply to the proceeds of sales  
25 made on or after July 1, 2003 and on or before December 31,  
26 2013 but applies to 100% of the proceeds of sales made

1 thereafter.

2 With respect to biodiesel blends with no less than 1% and  
3 no more than 10% biodiesel, the tax imposed by this Act applies  
4 to (i) 80% of the proceeds of sales made on or after July 1,  
5 2003 and on or before December 31, 2013 and (ii) 100% of the  
6 proceeds of sales made thereafter. If, at any time, however,  
7 the tax under this Act on sales of biodiesel blends with no  
8 less than 1% and no more than 10% biodiesel is imposed at the  
9 rate of 1.25%, then the tax imposed by this Act applies to 100%  
10 of the proceeds of sales of biodiesel blends with no less than  
11 1% and no more than 10% biodiesel made during that time.

12 With respect to 100% biodiesel and biodiesel blends with  
13 more than 10% but no more than 99% biodiesel, the tax imposed  
14 by this Act does not apply to the proceeds of sales made on or  
15 after July 1, 2003 and on or before December 31, 2013 but  
16 applies to 100% of the proceeds of sales made thereafter.

17 With respect to food for human consumption that is to be  
18 consumed off the premises where it is sold (other than  
19 alcoholic beverages, soft drinks, and food that has been  
20 prepared for immediate consumption) and prescription and  
21 nonprescription medicines, drugs, medical appliances,  
22 modifications to a motor vehicle for the purpose of rendering  
23 it usable by a disabled person, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use, the tax is imposed at the rate of 1%. For the purposes of  
26 this Section, the term "soft drinks" means any complete,

1 finished, ready-to-use, non-alcoholic drink, whether  
2 carbonated or not, including but not limited to soda water,  
3 cola, fruit juice, vegetable juice, carbonated water, and all  
4 other preparations commonly known as soft drinks of whatever  
5 kind or description that are contained in any closed or sealed  
6 bottle, can, carton, or container, regardless of size. "Soft  
7 drinks" does not include coffee, tea, non-carbonated water,  
8 infant formula, milk or milk products as defined in the Grade A  
9 Pasteurized Milk and Milk Products Act, or drinks containing  
10 50% or more natural fruit or vegetable juice.

11 Notwithstanding any other provisions of this Act, "food for  
12 human consumption that is to be consumed off the premises where  
13 it is sold" includes all food sold through a vending machine,  
14 except soft drinks and food products that are dispensed hot  
15 from a vending machine, regardless of the location of the  
16 vending machine.

17 From August 22, 2008 through September 1, 2008, and from  
18 the first Friday in August through the Sunday that occurs 9  
19 days later in 2009 and each year thereafter, with respect to  
20 (i) school supplies that are purchased for a selling price of  
21 less than \$50, (ii) any item of clothing that is purchased for  
22 a selling price of \$100 or less, (iii) a computer that is  
23 purchased for a selling price of \$2,500 or less, and (iv)  
24 computer software that is purchased for a selling price of \$250  
25 or less, the tax is imposed at the rate of 1.25%.

26 As used in this Section, "school supplies" are items

1 normally used by students in a standard classroom for  
2 educational purposes, including but not limited to textbooks,  
3 notebooks, paper, writing instruments, crayons, art supplies,  
4 rulers, book bags, backpacks, handheld calculators, chalk,  
5 maps, and globes. The term shall not include watches, radios,  
6 CD players, headphones, sporting equipment, portable or  
7 desktop telephones, copiers or other office equipment,  
8 furniture, or fixtures.

9 As used in this Section, "clothing" is any article of  
10 wearable apparel, including footwear, intended to be worn on or  
11 about the human body. The term shall include, but not be  
12 limited to, cloth and other material used to make school  
13 uniforms or other school clothing. Items normally sold in pairs  
14 shall not be separated to qualify for the reduced rate. The  
15 term shall not include watches, watchbands, jewelry, handbags,  
16 handkerchiefs, umbrellas, scarves, ties, headbands, or belt  
17 buckles.

18 As used in this Section a "computer" is an electronic  
19 central processing unit and any ancillary equipment sold as  
20 part of a retail package with the electronic central processing  
21 unit, including a monitor, keyboard, mouse, connection cable,  
22 and preloaded software.

23 If the property that is purchased at retail from a retailer  
24 is acquired outside Illinois and used outside Illinois before  
25 being brought to Illinois for use here and is taxable under  
26 this Act, the "selling price" on which the tax is computed

1 shall be reduced by an amount that represents a reasonable  
2 allowance for depreciation for the period of prior out-of-state  
3 use.

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

5 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

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

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

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

23           1. The name of the seller;

24           2. The address of the principal place of business from  
25 which he engages in the business of selling tangible  
26 personal property at retail in this State;



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

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

8           5. The amount of tax due;

9           5-5. The signature of the taxpayer; and

10          6. Such other reasonable information as the Department  
11          may require.

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

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

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

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

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

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

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

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

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

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

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

20 If any such payment provided for in this Section exceeds  
21 the taxpayer's liabilities under this Act, the Retailers'  
22 Occupation Tax Act, the Service Occupation Tax Act and the  
23 Service Use Tax Act, as shown by an original monthly return,  
24 the Department shall issue to the taxpayer a credit memorandum  
25 no later than 30 days after the date of payment, which  
26 memorandum may be submitted by the taxpayer to the Department

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

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

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

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

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

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

22 In addition, with respect to motor vehicles, watercraft,  
23 aircraft, and trailers that are required to be registered with  
24 an agency of this State, every retailer selling this kind of  
25 tangible personal property shall file, with the Department,  
26 upon a form to be prescribed and supplied by the Department, a



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

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

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

14 The transaction reporting return in the case of watercraft  
15 and aircraft must show the name and address of the seller; the  
16 name and address of the purchaser; the amount of the selling  
17 price including the amount allowed by the retailer for  
18 traded-in property, if any; the amount allowed by the retailer  
19 for the traded-in tangible personal property, if any, to the  
20 extent to which Section 2 of this Act allows an exemption for  
21 the value of traded-in property; the balance payable after  
22 deducting such trade-in allowance from the total selling price;  
23 the amount of tax due from the retailer with respect to such  
24 transaction; the amount of tax collected from the purchaser by  
25 the retailer on such transaction (or satisfactory evidence that  
26 such tax is not due in that particular instance, if that is

1 claimed to be the fact); the place and date of the sale, a  
2 sufficient identification of the property sold, and such other  
3 information as the Department may reasonably require.

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

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

1 certificate or other evidence of title or registration to such  
2 tangible personal property.

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

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

1 same amount and in the same form in which it would be remitted  
2 if the tax had been remitted to the Department by the retailer.

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

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

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

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

12           Beginning January 1, 1990, each month the Department shall  
13 pay into the State and Local Sales Tax Reform Fund, a special  
14 fund in the State Treasury which is hereby created, the net  
15 revenue realized for the preceding month from the 1% tax on  
16 sales of food for human consumption which is to be consumed off  
17 the premises where it is sold (other than alcoholic beverages,  
18 soft drinks and food which has been prepared for immediate  
19 consumption) and prescription and nonprescription medicines,  
20 drugs, medical appliances and insulin, urine testing  
21 materials, syringes and needles used by diabetics.

22           Beginning January 1, 1990, each month the Department shall  
23 pay into the County and Mass Transit District Fund 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate on the selling price of tangible personal property  
26 which is purchased outside Illinois at retail from a retailer

1 and which is titled or registered by an agency of this State's  
2 government.

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

11 Beginning August 1, 2000, each month the Department shall  
12 pay into the State and Local Sales Tax Reform Fund 100% of the  
13 net revenue realized for the preceding month from the 1.25%  
14 rate on the selling price of motor fuel and gasohol.

15 In September and October of 2008, and in September of each  
16 year thereafter, the Department must pay into the State and  
17 Local Sales Tax Reform Fund 100% of the net revenue realized  
18 for the preceding month from the 1.25% rate on the selling  
19 price of school supplies, clothing, computers, and computer  
20 software.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the Local Government Tax Fund 16% of the net revenue  
23 realized for the preceding month from the 6.25% general rate on  
24 the selling price of tangible personal property which is  
25 purchased outside Illinois at retail from a retailer and which  
26 is titled or registered by an agency of this State's

1 government.

2 Of the remainder of the moneys received by the Department  
3 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
4 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
5 and after July 1, 1989, 3.8% thereof shall be paid into the  
6 Build Illinois Fund; provided, however, that if in any fiscal  
7 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
8 may be, of the moneys received by the Department and required  
9 to be paid into the Build Illinois Fund pursuant to Section 3  
10 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
11 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
12 Service Occupation Tax Act, such Acts being hereinafter called  
13 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
14 may be, of moneys being hereinafter called the "Tax Act  
15 Amount", and (2) the amount transferred to the Build Illinois  
16 Fund from the State and Local Sales Tax Reform Fund shall be  
17 less than the Annual Specified Amount (as defined in Section 3  
18 of the Retailers' Occupation Tax Act), an amount equal to the  
19 difference shall be immediately paid into the Build Illinois  
20 Fund from other moneys received by the Department pursuant to  
21 the Tax Acts; and further provided, that if on the last  
22 business day of any month the sum of (1) the Tax Act Amount  
23 required to be deposited into the Build Illinois Bond Account  
24 in the Build Illinois Fund during such month and (2) the amount  
25 transferred during such month to the Build Illinois Fund from  
26 the State and Local Sales Tax Reform Fund shall have been less



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

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

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

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

1	2017	199,000,000
2	2018	210,000,000
3	2019	221,000,000
4	2020	233,000,000
5	2021	246,000,000
6	2022	260,000,000
7	2023 and	275,000,000

8 each fiscal year

9 thereafter that bonds

10 are outstanding under

11 Section 13.2 of the

12 Metropolitan Pier and

13 Exposition Authority Act,

14 but not after fiscal year 2042.

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

1 has been deposited.

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

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

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

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

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

10 Net revenue realized for a month shall be the revenue  
11 collected by the State pursuant to this Act, less the amount  
12 paid out during that month as refunds to taxpayers for  
13 overpayment of liability.

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

21 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

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

24 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

11           With respect to gasohol, as defined in the Use Tax Act, the  
12 tax imposed by this Act applies to (i) 70% of the selling price  
13 of property transferred as an incident to the sale of service  
14 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
15 of the selling price of property transferred as an incident to  
16 the sale of service on or after July 1, 2003 and on or before  
17 December 31, 2013, and (iii) 100% of the selling price  
18 thereafter. If, at any time, however, the tax under this Act on  
19 sales of gasohol, as defined in the Use Tax Act, is imposed at  
20 the rate of 1.25%, then the tax imposed by this Act applies to  
21 100% of the proceeds of sales of gasohol made during that time.

22           With respect to majority blended ethanol fuel, as defined  
23 in the Use Tax Act, the tax imposed by this Act does not apply  
24 to the selling price of property transferred as an incident to  
25 the sale of service on or after July 1, 2003 and on or before  
26 December 31, 2013 but applies to 100% of the selling price

1 thereafter.

2 With respect to biodiesel blends, as defined in the Use Tax  
3 Act, with no less than 1% and no more than 10% biodiesel, the  
4 tax imposed by this Act applies to (i) 80% of the selling price  
5 of property transferred as an incident to the sale of service  
6 on or after July 1, 2003 and on or before December 31, 2013 and  
7 (ii) 100% of the proceeds of the selling price thereafter. If,  
8 at any time, however, the tax under this Act on sales of  
9 biodiesel blends, as defined in the Use Tax Act, with no less  
10 than 1% and no more than 10% biodiesel is imposed at the rate  
11 of 1.25%, then the tax imposed by this Act applies to 100% of  
12 the proceeds of sales of biodiesel blends with no less than 1%  
13 and no more than 10% biodiesel made during that time.

14 With respect to 100% biodiesel, as defined in the Use Tax  
15 Act, and biodiesel blends, as defined in the Use Tax Act, with  
16 more than 10% but no more than 99% biodiesel, the tax imposed  
17 by this Act does not apply to the proceeds of the selling price  
18 of property transferred as an incident to the sale of service  
19 on or after July 1, 2003 and on or before December 31, 2013 but  
20 applies to 100% of the selling price thereafter.

21 At the election of any registered serviceman made for each  
22 fiscal year, sales of service in which the aggregate annual  
23 cost price of tangible personal property transferred as an  
24 incident to the sales of service is less than 35%, or 75% in  
25 the case of servicemen transferring prescription drugs or  
26 servicemen engaged in graphic arts production, of the aggregate



1 annual total gross receipts from all sales of service, the tax  
2 imposed by this Act shall be based on the serviceman's cost  
3 price of the tangible personal property transferred as an  
4 incident to the sale of those services.

5 The tax shall be imposed at the rate of 1% on food prepared  
6 for immediate consumption and transferred incident to a sale of  
7 service subject to this Act or the Service Occupation Tax Act  
8 by an entity licensed under the Hospital Licensing Act, the  
9 Nursing Home Care Act, or the Child Care Act of 1969. The tax  
10 shall also be imposed at the rate of 1% on food for human  
11 consumption that is to be consumed off the premises where it is  
12 sold (other than alcoholic beverages, soft drinks, and food  
13 that has been prepared for immediate consumption and is not  
14 otherwise included in this paragraph) and prescription and  
15 nonprescription medicines, drugs, medical appliances,  
16 modifications to a motor vehicle for the purpose of rendering  
17 it usable by a disabled person, and insulin, urine testing  
18 materials, syringes, and needles used by diabetics, for human  
19 use. For the purposes of this Section, the term "soft drinks"  
20 means any complete, finished, ready-to-use, non-alcoholic  
21 drink, whether carbonated or not, including but not limited to  
22 soda water, cola, fruit juice, vegetable juice, carbonated  
23 water, and all other preparations commonly known as soft drinks  
24 of whatever kind or description that are contained in any  
25 closed or sealed bottle, can, carton, or container, regardless  
26 of size. "Soft drinks" does not include coffee, tea,

1 non-carbonated water, infant formula, milk or milk products as  
2 defined in the Grade A Pasteurized Milk and Milk Products Act,  
3 or drinks containing 50% or more natural fruit or vegetable  
4 juice.

5 Notwithstanding any other provisions of this Act, "food for  
6 human consumption that is to be consumed off the premises where  
7 it is sold" includes all food sold through a vending machine,  
8 except soft drinks and food products that are dispensed hot  
9 from a vending machine, regardless of the location of the  
10 vending machine.

11 From August 22, 2008 through September 1, 2008, and from  
12 the first Friday in August through the Sunday that occurs 9  
13 days later in 2009 and each year thereafter, with respect to  
14 (i) school supplies that are purchased for a selling price of  
15 less than \$50, (ii) any item of clothing that is purchased for  
16 a selling price of \$100 or less, (iii) a computer that is  
17 purchased for a selling price of \$2,500 or less, and (iv)  
18 computer software that is purchased for a selling price of \$250  
19 or less, the tax is imposed at the rate of 1.25%.

20 As used in this Section, "school supplies" are items  
21 normally used by students in a standard classroom for  
22 educational purposes, including but not limited to textbooks,  
23 notebooks, paper, writing instruments, crayons, art supplies,  
24 rulers, book bags, backpacks, handheld calculators, chalk,  
25 maps, and globes. The term shall not include watches, radios,  
26 CD players, headphones, sporting equipment, portable or

1 desktop telephones, copiers or other office equipment,  
2 furniture, or fixtures.

3 As used in this Section, "clothing" is any article of  
4 wearable apparel, including footwear, intended to be worn on or  
5 about the human body. The term shall include, but not be  
6 limited to, cloth and other material used to make school  
7 uniforms or other school clothing. Items normally sold in pairs  
8 shall not be separated to qualify for the reduced rate. The  
9 term shall not include watches, watchbands, jewelry, handbags,  
10 handkerchiefs, umbrellas, scarves, ties, headbands, or belt  
11 buckles.

12 As used in this Section a "computer" is an electronic  
13 central processing unit and any ancillary equipment sold as  
14 part of a retail package with the electronic central processing  
15 unit, including a monitor, keyboard, mouse, connection cable,  
16 and preloaded software.

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

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

25 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

1           Sec. 9. Each serviceman required or authorized to collect  
2 the tax herein imposed shall pay to the Department the amount  
3 of such tax (except as otherwise provided) at the time when he  
4 is required to file his return for the period during which such  
5 tax was collected, less a discount of 2.1% prior to January 1,  
6 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
7 year, whichever is greater, which is allowed to reimburse the  
8 serviceman for expenses incurred in collecting the tax, keeping  
9 records, preparing and filing returns, remitting the tax and  
10 supplying data to the Department on request. A serviceman need  
11 not remit that part of any tax collected by him to the extent  
12 that he is required to pay and does pay the tax imposed by the  
13 Service Occupation Tax Act with respect to his sale of service  
14 involving the incidental transfer by him of the same property.

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

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

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

- 3 1. The name of the seller;
- 4 2. The address of the principal place of business from  
5 which he engages in business as a serviceman in this State;
- 6 3. The total amount of taxable receipts received by him  
7 during the preceding calendar month, including receipts  
8 from charge and time sales, but less all deductions allowed  
9 by law;
- 10 4. The amount of credit provided in Section 2d of this  
11 Act;
- 12 5. The amount of tax due;
- 13 5-5. The signature of the taxpayer; and
- 14 6. Such other reasonable information as the Department  
15 may require.

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

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

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

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

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

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

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

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

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

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

1 returns.

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

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

26 Any serviceman filing a return hereunder shall also include



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

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

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

16 Beginning January 1, 1990, each month the Department shall  
17 pay into the State and Local Tax Reform Fund, a special fund in  
18 the State Treasury, the net revenue realized for the preceding  
19 month from the 1% tax on sales of food for human consumption  
20 which is to be consumed off the premises where it is sold  
21 (other than alcoholic beverages, soft drinks and food which has  
22 been prepared for immediate consumption) and prescription and  
23 nonprescription medicines, drugs, medical appliances and  
24 insulin, urine testing materials, syringes and needles used by  
25 diabetics.

26 Beginning January 1, 1990, each month the Department shall

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

7 Beginning August 1, 2000, each month the Department shall  
8 pay into the State and Local Sales Tax Reform Fund 100% of the  
9 net revenue realized for the preceding month from the 1.25%  
10 rate on the selling price of motor fuel and gasohol.

11 In September and October of 2008, and in September of each  
12 year thereafter, the Department must pay into the State and  
13 Local Sales Tax Reform Fund 100% of the net revenue realized  
14 for the preceding month from the 1.25% rate on the selling  
15 price of school supplies, clothing, computers, and computer  
16 software.

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

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

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

1 pursuant to this Act and required to be deposited into the  
 2 Build Illinois Fund are subject to the pledge, claim and charge  
 3 set forth in Section 12 of the Build Illinois Bond Act.

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

	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000

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

23           each fiscal year  
24           thereafter that bonds  
25           are outstanding under  
26           Section 13.2 of the

1 Metropolitan Pier and  
2 Exposition Authority Act,  
3 but not after fiscal year 2042.

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

17 Subject to payment of amounts into the Build Illinois Fund  
18 and the McCormick Place Expansion Project Fund pursuant to the  
19 preceding paragraphs or in any amendments thereto hereafter  
20 enacted, beginning July 1, 1993, the Department shall each  
21 month pay into the Illinois Tax Increment Fund 0.27% of 80% of  
22 the net revenue realized for the preceding month from the 6.25%  
23 general rate on the selling price of tangible personal  
24 property.

25 Subject to payment of amounts into the Build Illinois Fund  
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter  
2 enacted, beginning with the receipt of the first report of  
3 taxes paid by an eligible business and continuing for a 25-year  
4 period, the Department shall each month pay into the Energy  
5 Infrastructure Fund 80% of the net revenue realized from the  
6 6.25% general rate on the selling price of Illinois-mined coal  
7 that was sold to an eligible business. For purposes of this  
8 paragraph, the term "eligible business" means a new electric  
9 generating facility certified pursuant to Section 605-332 of  
10 the Department of Commerce and Economic Opportunity Law of the  
11 Civil Administrative Code of Illinois.

12 All remaining moneys received by the Department pursuant to  
13 this Act shall be paid into the General Revenue Fund of the  
14 State Treasury.

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

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

26 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)



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

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

4           Sec. 3-10. Rate of tax. Unless otherwise provided in this  
5 Section, the tax imposed by this Act is at the rate of 6.25% of  
6 the "selling price", as defined in Section 2 of the Service Use  
7 Tax Act, of the tangible personal property. For the purpose of  
8 computing this tax, in no event shall the "selling price" be  
9 less than the cost price to the serviceman of the tangible  
10 personal property transferred. The selling price of each item  
11 of tangible personal property transferred as an incident of a  
12 sale of service may be shown as a distinct and separate item on  
13 the serviceman's billing to the service customer. If the  
14 selling price is not so shown, the selling price of the  
15 tangible personal property is deemed to be 50% of the  
16 serviceman's entire billing to the service customer. When,  
17 however, a serviceman contracts to design, develop, and produce  
18 special order machinery or equipment, the tax imposed by this  
19 Act shall be based on the serviceman's cost price of the  
20 tangible personal property transferred incident to the  
21 completion of the contract.

22           Beginning on July 1, 2000 and through December 31, 2000,  
23 with respect to motor fuel, as defined in Section 1.1 of the  
24 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

2 With respect to gasohol, as defined in the Use Tax Act, the  
3 tax imposed by this Act shall apply to (i) 70% of the cost  
4 price of property transferred as an incident to the sale of  
5 service on or after January 1, 1990, and before July 1, 2003,  
6 (ii) 80% of the selling price of property transferred as an  
7 incident to the sale of service on or after July 1, 2003 and on  
8 or before December 31, 2013, and (iii) 100% of the cost price  
9 thereafter. If, at any time, however, the tax under this Act on  
10 sales of gasohol, as defined in the Use Tax Act, is imposed at  
11 the rate of 1.25%, then the tax imposed by this Act applies to  
12 100% of the proceeds of sales of gasohol made during that time.

13 With respect to majority blended ethanol fuel, as defined  
14 in the Use Tax Act, the tax imposed by this Act does not apply  
15 to the selling price of property transferred as an incident to  
16 the sale of service on or after July 1, 2003 and on or before  
17 December 31, 2013 but applies to 100% of the selling price  
18 thereafter.

19 With respect to biodiesel blends, as defined in the Use Tax  
20 Act, with no less than 1% and no more than 10% biodiesel, the  
21 tax imposed by this Act applies to (i) 80% of the selling price  
22 of property transferred as an incident to the sale of service  
23 on or after July 1, 2003 and on or before December 31, 2013 and  
24 (ii) 100% of the proceeds of the selling price thereafter. If,  
25 at any time, however, the tax under this Act on sales of  
26 biodiesel blends, as defined in the Use Tax Act, with no less

1 than 1% and no more than 10% biodiesel is imposed at the rate  
2 of 1.25%, then the tax imposed by this Act applies to 100% of  
3 the proceeds of sales of biodiesel blends with no less than 1%  
4 and no more than 10% biodiesel made during that time.

5 With respect to 100% biodiesel, as defined in the Use Tax  
6 Act, and biodiesel blends, as defined in the Use Tax Act, with  
7 more than 10% but no more than 99% biodiesel material, the tax  
8 imposed by this Act does not apply to the proceeds of the  
9 selling price of property transferred as an incident to the  
10 sale of service on or after July 1, 2003 and on or before  
11 December 31, 2013 but applies to 100% of the selling price  
12 thereafter.

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

23 The tax shall be imposed at the rate of 1% on food prepared  
24 for immediate consumption and transferred incident to a sale of  
25 service subject to this Act or the Service Occupation Tax Act  
26 by an entity licensed under the Hospital Licensing Act, the

1 Nursing Home Care Act, or the Child Care Act of 1969. The tax  
2 shall also be imposed at the rate of 1% on food for human  
3 consumption that is to be consumed off the premises where it is  
4 sold (other than alcoholic beverages, soft drinks, and food  
5 that has been prepared for immediate consumption and is not  
6 otherwise included in this paragraph) and prescription and  
7 nonprescription medicines, drugs, medical appliances,  
8 modifications to a motor vehicle for the purpose of rendering  
9 it usable by a disabled person, and insulin, urine testing  
10 materials, syringes, and needles used by diabetics, for human  
11 use. For the purposes of this Section, the term "soft drinks"  
12 means any complete, finished, ready-to-use, non-alcoholic  
13 drink, whether carbonated or not, including but not limited to  
14 soda water, cola, fruit juice, vegetable juice, carbonated  
15 water, and all other preparations commonly known as soft drinks  
16 of whatever kind or description that are contained in any  
17 closed or sealed can, carton, or container, regardless of size.  
18 "Soft drinks" does not include coffee, tea, non-carbonated  
19 water, infant formula, milk or milk products as defined in the  
20 Grade A Pasteurized Milk and Milk Products Act, or drinks  
21 containing 50% or more natural fruit or vegetable juice.

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

1 vending machine.

2 From August 22, 2008 through September 1, 2008, and from  
3 the first Friday in August through the Sunday that occurs 9  
4 days later in 2009 and each year thereafter, with respect to  
5 (i) school supplies that are purchased for a selling price of  
6 less than \$50, (ii) any item of clothing that is purchased for  
7 a selling price of \$100 or less, (iii) a computer that is  
8 purchased for a selling price of \$2,500 or less, and (iv)  
9 computer software that is purchased for a selling price of \$250  
10 or less, the tax is imposed at the rate of 1.25%.

11 As used in this Section, "school supplies" are items  
12 normally used by students in a standard classroom for  
13 educational purposes, including but not limited to textbooks,  
14 notebooks, paper, writing instruments, crayons, art supplies,  
15 rulers, book bags, backpacks, handheld calculators, chalk,  
16 maps, and globes. The term shall not include watches, radios,  
17 CD players, headphones, sporting equipment, portable or  
18 desktop telephones, copiers or other office equipment,  
19 furniture, or fixtures.

20 As used in this Section, "clothing" is any article of  
21 wearable apparel, including footwear, intended to be worn on or  
22 about the human body. The term shall include, but not be  
23 limited to, cloth and other material used to make school  
24 uniforms or other school clothing. Items normally sold in pairs  
25 shall not be separated to qualify for the reduced rate. The  
26 term shall not include watches, watchbands, jewelry, handbags,

1 handkerchiefs, umbrellas, scarves, ties, headbands, or belt  
2 buckles.

3 As used in this Section a "computer" is an electronic  
4 central processing unit and any ancillary equipment sold as  
5 part of a retail package with the electronic central processing  
6 unit, including a monitor, keyboard, mouse, connection cable,  
7 and preloaded software.

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

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

10 Sec. 9. Each serviceman required or authorized to collect  
11 the tax herein imposed shall pay to the Department the amount  
12 of such tax at the time when he is required to file his return  
13 for the period during which such tax was collectible, less a  
14 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
15 after January 1, 1990, or \$5 per calendar year, whichever is  
16 greater, which is allowed to reimburse the serviceman for  
17 expenses incurred in collecting the tax, keeping records,  
18 preparing and filing returns, remitting the tax and supplying  
19 data to the Department on request.

20 Where such tangible personal property is sold under a  
21 conditional sales contract, or under any other form of sale  
22 wherein the payment of the principal sum, or a part thereof, is  
23 extended beyond the close of the period for which the return is  
24 filed, the serviceman, in collecting the tax may collect, for  
25 each tax return period, only the tax applicable to the part of

1 the selling price actually received during such tax return  
2 period.

3 Except as provided hereinafter in this Section, on or  
4 before the twentieth day of each calendar month, such  
5 serviceman shall file a return for the preceding calendar month  
6 in accordance with reasonable rules and regulations to be  
7 promulgated by the Department of Revenue. Such return shall be  
8 filed on a form prescribed by the Department and shall contain  
9 such information as the Department may reasonably require.

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

- 17 1. The name of the seller;
- 18 2. The address of the principal place of business from  
19 which he engages in business as a serviceman in this State;
- 20 3. The total amount of taxable receipts received by him  
21 during the preceding calendar month, including receipts  
22 from charge and time sales, but less all deductions allowed  
23 by law;
- 24 4. The amount of credit provided in Section 2d of this  
25 Act;
- 26 5. The amount of tax due;

1           5-5. The signature of the taxpayer; and

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

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

8           Prior to October 1, 2003, and on and after September 1,  
9           2004 a serviceman may accept a Manufacturer's Purchase Credit  
10          certification from a purchaser in satisfaction of Service Use  
11          Tax as provided in Section 3-70 of the Service Use Tax Act if  
12          the purchaser provides the appropriate documentation as  
13          required by Section 3-70 of the Service Use Tax Act. A  
14          Manufacturer's Purchase Credit certification, accepted prior  
15          to October 1, 2003 or on or after September 1, 2004 by a  
16          serviceman as provided in Section 3-70 of the Service Use Tax  
17          Act, may be used by that serviceman to satisfy Service  
18          Occupation Tax liability in the amount claimed in the  
19          certification, not to exceed 6.25% of the receipts subject to  
20          tax from a qualifying purchase. A Manufacturer's Purchase  
21          Credit reported on any original or amended return filed under  
22          this Act after October 20, 2003 for reporting periods prior to  
23          September 1, 2004 shall be disallowed. Manufacturer's Purchase  
24          Credit reported on annual returns due on or after January 1,  
25          2005 will be disallowed for periods prior to September 1, 2004.  
26          No Manufacturer's Purchase Credit may be used after September



1 30, 2003 through August 31, 2004 to satisfy any tax liability  
2 imposed under this Act, including any audit liability.

3 If the serviceman's average monthly tax liability to the  
4 Department does not exceed \$200, the Department may authorize  
5 his returns to be filed on a quarter annual basis, with the  
6 return for January, February and March of a given year being  
7 due by April 20 of such year; with the return for April, May  
8 and June of a given year being due by July 20 of such year; with  
9 the return for July, August and September of a given year being  
10 due by October 20 of such year, and with the return for  
11 October, November and December of a given year being due by  
12 January 20 of the following year.

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

17 Such quarter annual and annual returns, as to form and  
18 substance, shall be subject to the same requirements as monthly  
19 returns.

20 Notwithstanding any other provision in this Act concerning  
21 the time within which a serviceman may file his return, in the  
22 case of any serviceman who ceases to engage in a kind of  
23 business which makes him responsible for filing returns under  
24 this Act, such serviceman shall file a final return under this  
25 Act with the Department not more than 1 month after  
26 discontinuing such business.

1           Beginning October 1, 1993, a taxpayer who has an average  
2 monthly tax liability of \$150,000 or more shall make all  
3 payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1994, a taxpayer who has  
5 an average monthly tax liability of \$100,000 or more shall make  
6 all payments required by rules of the Department by electronic  
7 funds transfer. Beginning October 1, 1995, a taxpayer who has  
8 an average monthly tax liability of \$50,000 or more shall make  
9 all payments required by rules of the Department by electronic  
10 funds transfer. Beginning October 1, 2000, a taxpayer who has  
11 an annual tax liability of \$200,000 or more shall make all  
12 payments required by rules of the Department by electronic  
13 funds transfer. The term "annual tax liability" shall be the  
14 sum of the taxpayer's liabilities under this Act, and under all  
15 other State and local occupation and use tax laws administered  
16 by the Department, for the immediately preceding calendar year.  
17 The term "average monthly tax liability" means the sum of the  
18 taxpayer's liabilities under this Act, and under all other  
19 State and local occupation and use tax laws administered by the  
20 Department, for the immediately preceding calendar year  
21 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
22 a tax liability in the amount set forth in subsection (b) of  
23 Section 2505-210 of the Department of Revenue Law shall make  
24 all payments required by rules of the Department by electronic  
25 funds transfer.

26           Before August 1 of each year beginning in 1993, the

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

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

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

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

15 Where a serviceman collects the tax with respect to the  
16 selling price of tangible personal property which he sells and  
17 the purchaser thereafter returns such tangible personal  
18 property and the serviceman refunds the selling price thereof  
19 to the purchaser, such serviceman shall also refund, to the  
20 purchaser, the tax so collected from the purchaser. When filing  
21 his return for the period in which he refunds such tax to the  
22 purchaser, the serviceman may deduct the amount of the tax so  
23 refunded by him to the purchaser from any other Service  
24 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
25 Use Tax which such serviceman may be required to pay or remit  
26 to the Department, as shown by such return, provided that the

1 amount of the tax to be deducted shall previously have been  
2 remitted to the Department by such serviceman. If the  
3 serviceman shall not previously have remitted the amount of  
4 such tax to the Department, he shall be entitled to no  
5 deduction hereunder upon refunding such tax to the purchaser.

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

13 Where the serviceman has more than one business registered  
14 with the Department under separate registrations hereunder,  
15 such serviceman shall file separate returns for each registered  
16 business.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the Local Government Tax Fund the revenue realized for  
19 the preceding month from the 1% tax on sales of food for human  
20 consumption which is to be consumed off the premises where it  
21 is sold (other than alcoholic beverages, soft drinks and food  
22 which has been prepared for immediate consumption) and  
23 prescription and nonprescription medicines, drugs, medical  
24 appliances and insulin, urine testing materials, syringes and  
25 needles used by diabetics.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the County and Mass Transit District Fund 4% of the  
2 revenue realized for the preceding month from the 6.25% general  
3 rate.

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

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

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

16 In September and October of 2008, and in September of each  
17 year thereafter, the Department shall pay into the Local  
18 Government Tax Fund 80% of the net revenue realized for the  
19 preceding month from the 1.25% rate on the selling price of  
20 school supplies, clothing, computers, and computer software.

21 In September and October of 2008, and in September of each  
22 year thereafter, the Department shall pay into the County and  
23 Mass Transit District Fund 20% of the net revenue realized for  
24 the preceding month from the 1.25% rate on the selling price of  
25 school supplies, clothing, computers, and computer software.

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
2 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
3 and after July 1, 1989, 3.8% thereof shall be paid into the  
4 Build Illinois Fund; provided, however, that if in any fiscal  
5 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
6 may be, of the moneys received by the Department and required  
7 to be paid into the Build Illinois Fund pursuant to Section 3  
8 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
9 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
10 Service Occupation Tax Act, such Acts being hereinafter called  
11 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
12 may be, of moneys being hereinafter called the "Tax Act  
13 Amount", and (2) the amount transferred to the Build Illinois  
14 Fund from the State and Local Sales Tax Reform Fund shall be  
15 less than the Annual Specified Amount (as defined in Section 3  
16 of the Retailers' Occupation Tax Act), an amount equal to the  
17 difference shall be immediately paid into the Build Illinois  
18 Fund from other moneys received by the Department pursuant to  
19 the Tax Acts; and further provided, that if on the last  
20 business day of any month the sum of (1) the Tax Act Amount  
21 required to be deposited into the Build Illinois Account in the  
22 Build Illinois Fund during such month and (2) the amount  
23 transferred during such month to the Build Illinois Fund from  
24 the State and Local Sales Tax Reform Fund shall have been less  
25 than 1/12 of the Annual Specified Amount, an amount equal to  
26 the difference shall be immediately paid into the Build

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

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

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

25	Fiscal Year	Total Deposit
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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	246,000,000
4	2022	260,000,000
5	2023 and	275,000,000

6           each fiscal year  
 7           thereafter that bonds  
 8           are outstanding under  
 9           Section 13.2 of the  
 10          Metropolitan Pier and  
 11          Exposition Authority Act,  
 12          but not after fiscal year 2042.

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

26          Subject to payment of amounts into the Build Illinois Fund

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

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

21 Remaining moneys received by the Department pursuant to  
22 this Act shall be paid into the General Revenue Fund of the  
23 State Treasury.

24 The Department may, upon separate written notice to a  
25 taxpayer, require the taxpayer to prepare and file with the  
26 Department on a form prescribed by the Department within not

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

21 If the annual information return required by this Section  
22 is not filed when and as required, the taxpayer shall be liable  
23 as follows:

24 (i) Until January 1, 1994, the taxpayer shall be liable  
25 for a penalty equal to 1/6 of 1% of the tax due from such  
26 taxpayer under this Act during the period to be covered by

1           the annual return for each month or fraction of a month  
2           until such return is filed as required, the penalty to be  
3           assessed and collected in the same manner as any other  
4           penalty provided for in this Act.

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

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

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

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

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

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

13 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;  
14 94-1074, eff. 12-26-06.)

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

17 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

22 Beginning on July 1, 2000 and through December 31, 2000,  
23 with respect to motor fuel, as defined in Section 1.1 of the  
24 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

17 With respect to gasohol, as defined in the Use Tax Act, the  
18 tax imposed by this Act applies to (i) 70% of the proceeds of  
19 sales made on or after January 1, 1990, and before July 1,  
20 2003, (ii) 80% of the proceeds of sales made on or after July  
21 1, 2003 and on or before December 31, 2013, and (iii) 100% of  
22 the proceeds of sales made thereafter. If, at any time,  
23 however, the tax under this Act on sales of gasohol, as defined  
24 in the Use Tax Act, is imposed at the rate of 1.25%, then the  
25 tax imposed by this Act applies to 100% of the proceeds of  
26 sales of gasohol made during that time.

1           With respect to majority blended ethanol fuel, as defined  
2 in the Use Tax Act, the tax imposed by this Act does not apply  
3 to the proceeds of sales made on or after July 1, 2003 and on or  
4 before December 31, 2013 but applies to 100% of the proceeds of  
5 sales made thereafter.

6           With respect to biodiesel blends, as defined in the Use Tax  
7 Act, with no less than 1% and no more than 10% biodiesel, the  
8 tax imposed by this Act applies to (i) 80% of the proceeds of  
9 sales made on or after July 1, 2003 and on or before December  
10 31, 2013 and (ii) 100% of the proceeds of sales made  
11 thereafter. If, at any time, however, the tax under this Act on  
12 sales of biodiesel blends, as defined in the Use Tax Act, with  
13 no less than 1% and no more than 10% biodiesel is imposed at  
14 the rate of 1.25%, then the tax imposed by this Act applies to  
15 100% of the proceeds of sales of biodiesel blends with no less  
16 than 1% and no more than 10% biodiesel made during that time.

17           With respect to 100% biodiesel, as defined in the Use Tax  
18 Act, and biodiesel blends, as defined in the Use Tax Act, with  
19 more than 10% but no more than 99% biodiesel, the tax imposed  
20 by this Act does not apply to the proceeds of sales made on or  
21 after July 1, 2003 and on or before December 31, 2013 but  
22 applies to 100% of the proceeds of sales made thereafter.

23           With respect to food for human consumption that is to be  
24 consumed off the premises where it is sold (other than  
25 alcoholic beverages, soft drinks, and food that has been  
26 prepared for immediate consumption) and prescription and



1 nonprescription medicines, drugs, medical appliances,  
2 modifications to a motor vehicle for the purpose of rendering  
3 it usable by a disabled person, and insulin, urine testing  
4 materials, syringes, and needles used by diabetics, for human  
5 use, the tax is imposed at the rate of 1%. For the purposes of  
6 this Section, the term "soft drinks" means any complete,  
7 finished, ready-to-use, non-alcoholic drink, whether  
8 carbonated or not, including but not limited to soda water,  
9 cola, fruit juice, vegetable juice, carbonated water, and all  
10 other preparations commonly known as soft drinks of whatever  
11 kind or description that are contained in any closed or sealed  
12 bottle, can, carton, or container, regardless of size. "Soft  
13 drinks" does not include coffee, tea, non-carbonated water,  
14 infant formula, milk or milk products as defined in the Grade A  
15 Pasteurized Milk and Milk Products Act, or drinks containing  
16 50% or more natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act, "food for  
18 human consumption that is to be consumed off the premises where  
19 it is sold" includes all food sold through a vending machine,  
20 except soft drinks and food products that are dispensed hot  
21 from a vending machine, regardless of the location of the  
22 vending machine.

23 From August 22, 2008 through September 1, 2008, and from  
24 the first Friday in August through the Sunday that occurs 9  
25 days later in 2009 and each year thereafter, with respect to  
26 (i) school supplies that are purchased for a selling price of

1 less than \$50, (ii) any item of clothing that is purchased for  
2 a selling price of \$100 or less, (iii) a computer that is  
3 purchased for a selling price of \$2,500 or less, and (iv)  
4 computer software that is purchased for a selling price of \$250  
5 or less, the tax is imposed at the rate of 1.25%.

6 As used in this Section, "school supplies" are items  
7 normally used by students in a standard classroom for  
8 educational purposes, including but not limited to textbooks,  
9 notebooks, paper, writing instruments, crayons, art supplies,  
10 rulers, book bags, backpacks, handheld calculators, chalk,  
11 maps, and globes. The term shall not include watches, radios,  
12 CD players, headphones, sporting equipment, portable or  
13 desktop telephones, copiers or other office equipment,  
14 furniture, or fixtures.

15 As used in this Section, "clothing" is any article of  
16 wearable apparel, including footwear, intended to be worn on or  
17 about the human body. The term shall include, but not be  
18 limited to, cloth and other material used to make school  
19 uniforms or other school clothing. Items normally sold in pairs  
20 shall not be separated to qualify for the reduced rate. The  
21 term shall not include watches, watchbands, jewelry, handbags,  
22 handkerchiefs, umbrellas, scarves, ties, headbands, or belt  
23 buckles.

24 As used in this Section a "computer" is an electronic  
25 central processing unit and any ancillary equipment sold as  
26 part of a retail package with the electronic central processing

1 unit, including a monitor, keyboard, mouse, connection cable,  
2 and preloaded software.

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

4 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

10 1. The name of the seller;

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

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

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

- 1           5. Deductions allowed by law;
- 2           6. Gross receipts which were received by him during the
- 3           preceding calendar month or quarter and upon the basis of
- 4           which the tax is imposed;
- 5           7. The amount of credit provided in Section 2d of this
- 6           Act;
- 7           8. The amount of tax due;
- 8           9. The signature of the taxpayer; and
- 9           10. Such other reasonable information as the
- 10          Department may require.

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

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

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

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

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

20 1. The name of the seller;

21 2. The address of the principal place of business from  
22 which he engages in the business of selling tangible  
23 personal property at retail in this State;

24 3. The total amount of taxable receipts received by him  
25 during the preceding calendar month from sales of tangible  
26 personal property by him during such preceding calendar

1 month, including receipts from charge and time sales, but  
2 less all deductions allowed by law;

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

5 5. The amount of tax due; and

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

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

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

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

24 If a total amount of less than \$1 is payable, refundable or  
25 creditable, such amount shall be disregarded if it is less than  
26 50 cents and shall be increased to \$1 if it is 50 cents or more.

1           Beginning October 1, 1993, a taxpayer who has an average  
2 monthly tax liability of \$150,000 or more shall make all  
3 payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1994, a taxpayer who has  
5 an average monthly tax liability of \$100,000 or more shall make  
6 all payments required by rules of the Department by electronic  
7 funds transfer. Beginning October 1, 1995, a taxpayer who has  
8 an average monthly tax liability of \$50,000 or more shall make  
9 all payments required by rules of the Department by electronic  
10 funds transfer. Beginning October 1, 2000, a taxpayer who has  
11 an annual tax liability of \$200,000 or more shall make all  
12 payments required by rules of the Department by electronic  
13 funds transfer. The term "annual tax liability" shall be the  
14 sum of the taxpayer's liabilities under this Act, and under all  
15 other State and local occupation and use tax laws administered  
16 by the Department, for the immediately preceding calendar year.  
17 The term "average monthly tax liability" shall be the sum of  
18 the taxpayer's liabilities under this Act, and under all other  
19 State and local occupation and use tax laws administered by the  
20 Department, for the immediately preceding calendar year  
21 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
22 a tax liability in the amount set forth in subsection (b) of  
23 Section 2505-210 of the Department of Revenue Law shall make  
24 all payments required by rules of the Department by electronic  
25 funds transfer.

26           Before August 1 of each year beginning in 1993, the



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

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

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

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

15 Any amount which is required to be shown or reported on any  
16 return or other document under this Act shall, if such amount  
17 is not a whole-dollar amount, be increased to the nearest  
18 whole-dollar amount in any case where the fractional part of a  
19 dollar is 50 cents or more, and decreased to the nearest  
20 whole-dollar amount where the fractional part of a dollar is  
21 less than 50 cents.

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

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

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

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

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

23 Where the same person has more than one business registered  
24 with the Department under separate registrations under this  
25 Act, such person may not file each return that is due as a  
26 single return covering all such registered businesses, but

1 shall file separate returns for each such registered business.

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

25 Any retailer who sells only motor vehicles, watercraft,  
26 aircraft, or trailers that are required to be registered with

1 an agency of this State, so that all retailers' occupation tax  
2 liability is required to be reported, and is reported, on such  
3 transaction reporting returns and who is not otherwise required  
4 to file monthly or quarterly returns, need not file monthly or  
5 quarterly returns. However, those retailers shall be required  
6 to file returns on an annual basis.

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

1 require.

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

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

1 agency or State officer determine that this procedure will  
2 expedite the processing of applications for title or  
3 registration.

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

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

25 If the user who would otherwise pay tax to the retailer  
26 wants the transaction reporting return filed and the payment of

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

17 Refunds made by the seller during the preceding return  
18 period to purchasers, on account of tangible personal property  
19 returned to the seller, shall be allowed as a deduction under  
20 subdivision 5 of his monthly or quarterly return, as the case  
21 may be, in case the seller had theretofore included the  
22 receipts from the sale of such tangible personal property in a  
23 return filed by him and had paid the tax imposed by this Act  
24 with respect to such receipts.

25 Where the seller is a corporation, the return filed on  
26 behalf of such corporation shall be signed by the president,

1 vice-president, secretary or treasurer or by the properly  
2 accredited agent of such corporation.

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

7 Except as provided in this Section, the retailer filing the  
8 return under this Section shall, at the time of filing such  
9 return, pay to the Department the amount of tax imposed by this  
10 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
11 on and after January 1, 1990, or \$5 per calendar year,  
12 whichever is greater, which is allowed to reimburse the  
13 retailer for the expenses incurred in keeping records,  
14 preparing and filing returns, remitting the tax and supplying  
15 data to the Department on request. Any prepayment made pursuant  
16 to Section 2d of this Act shall be included in the amount on  
17 which such 2.1% or 1.75% discount is computed. In the case of  
18 retailers who report and pay the tax on a transaction by  
19 transaction basis, as provided in this Section, such discount  
20 shall be taken with each such tax remittance instead of when  
21 such retailer files his periodic return.

22 Before October 1, 2000, if the taxpayer's average monthly  
23 tax liability to the Department under this Act, the Use Tax  
24 Act, the Service Occupation Tax Act, and the Service Use Tax  
25 Act, excluding any liability for prepaid sales tax to be  
26 remitted in accordance with Section 2d of this Act, was \$10,000



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

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

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

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

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

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

1 previously made payments for that month in excess of the  
2 minimum payments previously due.

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

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

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

1 due, and that taxpayer shall be liable for penalties and  
2 interest on such difference.

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

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the Local Government Tax Fund, a special fund in the  
10 State treasury which is hereby created, the net revenue  
11 realized for the preceding month from the 1% tax on sales of  
12 food for human consumption which is to be consumed off the  
13 premises where it is sold (other than alcoholic beverages, soft  
14 drinks and food which has been prepared for immediate  
15 consumption) and prescription and nonprescription medicines,  
16 drugs, medical appliances and insulin, urine testing  
17 materials, syringes and needles used by diabetics.

18 Beginning January 1, 1990, each month the Department shall  
19 pay into the County and Mass Transit District Fund, a special  
20 fund in the State treasury which is hereby created, 4% of the  
21 net revenue realized for the preceding month from the 6.25%  
22 general rate.

23 Beginning August 1, 2000, each month the Department shall  
24 pay into the County and Mass Transit District Fund 20% of the  
25 net revenue realized for the preceding month from the 1.25%  
26 rate on the selling price of motor fuel and gasohol.



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

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

9           In September and October of 2008, and in September of each  
10 year thereafter, the Department shall pay into the County and  
11 Mass Transit District Fund 20% of the net revenue realized for  
12 the preceding month from the 1.25% rate on the selling price of  
13 school supplies, clothing, computers, and computer software.

14           In September and October of 2008, and in September of each  
15 year thereafter, the Department shall pay into the Local  
16 Government Tax Fund 80% of the net revenue realized for the  
17 preceding month from the 1.25% rate on the selling price of  
18 school supplies, clothing, computers, and computer software.

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

1 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
2 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
3 being hereinafter called the "Tax Acts" and such aggregate of  
4 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
5 called the "Tax Act Amount", and (2) the amount transferred to  
6 the Build Illinois Fund from the State and Local Sales Tax  
7 Reform Fund shall be less than the Annual Specified Amount (as  
8 hereinafter defined), an amount equal to the difference shall  
9 be immediately paid into the Build Illinois Fund from other  
10 moneys received by the Department pursuant to the Tax Acts; the  
11 "Annual Specified Amount" means the amounts specified below for  
12 fiscal years 1986 through 1993:

13	Fiscal Year	Annual Specified Amount
14	1986	\$54,800,000
15	1987	\$76,650,000
16	1988	\$80,480,000
17	1989	\$88,510,000
18	1990	\$115,330,000
19	1991	\$145,470,000
20	1992	\$182,730,000
21	1993	\$206,520,000;

22 and means the Certified Annual Debt Service Requirement (as  
23 defined in Section 13 of the Build Illinois Bond Act) or the  
24 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
25 each fiscal year thereafter; and further provided, that if on  
26 the last business day of any month the sum of (1) the Tax Act

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

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

19 Subject to payment of amounts into the Build Illinois Fund  
20 as provided in the preceding paragraph or in any amendment  
21 thereto hereafter enacted, the following specified monthly  
22 installment of the amount requested in the certificate of the  
23 Chairman of the Metropolitan Pier and Exposition Authority  
24 provided under Section 8.25f of the State Finance Act, but not  
25 in excess of sums designated as "Total Deposit", shall be  
26 deposited in the aggregate from collections under Section 9 of

1 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
2 9 of the Service Occupation Tax Act, and Section 3 of the  
3 Retailers' Occupation Tax Act into the McCormick Place  
4 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
5		
6	1993	\$0
7	1994	53,000,000
8	1995	58,000,000
9	1996	61,000,000
10	1997	64,000,000
11	1998	68,000,000
12	1999	71,000,000
13	2000	75,000,000
14	2001	80,000,000
15	2002	93,000,000
16	2003	99,000,000
17	2004	103,000,000
18	2005	108,000,000
19	2006	113,000,000
20	2007	119,000,000
21	2008	126,000,000
22	2009	132,000,000
23	2010	139,000,000
24	2011	146,000,000
25	2012	153,000,000

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	246,000,000
10	2022	260,000,000
11	2023 and	275,000,000

12           each fiscal year  
13           thereafter that bonds  
14           are outstanding under  
15           Section 13.2 of the  
16           Metropolitan Pier and  
17           Exposition Authority Act,  
18           but not after fiscal year 2042.

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

1 required under this Section for previous months and years,  
2 shall be deposited into the McCormick Place Expansion Project  
3 Fund, until the full amount requested for the fiscal year, but  
4 not in excess of the amount specified above as "Total Deposit",  
5 has been deposited.

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

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

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

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



1 helpful in determining the accuracy of the monthly, quarterly  
2 or annual returns filed by such retailer as provided for in  
3 this Section.

4 If the annual information return required by this Section  
5 is not filed when and as required, the taxpayer shall be liable  
6 as follows:

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

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

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

25 The provisions of this Section concerning the filing of an  
26 annual information return do not apply to a retailer who is not

1 required to file an income tax return with the United States  
2 Government.

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

10 Net revenue realized for a month shall be the revenue  
11 collected by the State pursuant to this Act, less the amount  
12 paid out during that month as refunds to taxpayers for  
13 overpayment of liability.

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

21 Any person who promotes, organizes, provides retail  
22 selling space for concessionaires or other types of sellers at  
23 the Illinois State Fair, DuQuoin State Fair, county fairs,  
24 local fairs, art shows, flea markets and similar exhibitions or  
25 events, including any transient merchant as defined by Section  
26 2 of the Transient Merchant Act of 1987, is required to file a

1 report with the Department providing the name of the merchant's  
2 business, the name of the person or persons engaged in  
3 merchant's business, the permanent address and Illinois  
4 Retailers Occupation Tax Registration Number of the merchant,  
5 the dates and location of the event and other reasonable  
6 information that the Department may require. The report must be  
7 filed not later than the 20th day of the month next following  
8 the month during which the event with retail sales was held.  
9 Any person who fails to file a report required by this Section  
10 commits a business offense and is subject to a fine not to  
11 exceed \$250.

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

1 loss of revenue to the State. The Department shall notify  
2 concessionaires and other sellers affected by the imposition of  
3 this requirement. In the absence of notification by the  
4 Department, the concessionaires and other sellers shall file  
5 their returns as otherwise required in this Section.

6 (Source: P.A. 94-1074, eff. 12-26-06; 95-331, eff. 8-21-07.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.