



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB0212

Introduced 01/21/11, by Rep. Thaddeus Jones

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Municipal Code. Provides that 2 adjoining disadvantaged municipalities may form a business corridor by intergovernmental agreement. Defines "disadvantaged municipality". Provides that the business corridor shall encompass only territory along the common border of the municipalities that is (i) undeveloped or underdeveloped and (ii) not likely be developed without the creation of the business corridor. Provides that the agreement must contain certain information. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that tangible personal property purchased from a business located in a business corridor is exempt from taxation under the Acts beginning on the first day of the first month to occur not less than 30 days after the business corridor is established and continuing through December 31 of the fifth calendar year after the business corridor is established. Provides that, in the sixth calendar year after the business corridor is established, the tax is imposed on that tangible personal property at the rate of 3%. Provides that the proceeds of the tax imposed at the rate of 3% shall be distributed to the municipalities.

LRB097 02920 HLH 42944 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Use Tax Act is amended by changing Sections  
5 3-5, 3-10, and 9 as follows:

6 (35 ILCS 105/3-5)

7 Sec. 3-5. Exemptions. Use of the following tangible  
8 personal property is exempt from the tax imposed by this Act:

9 (1) Personal property purchased from a corporation,  
10 society, association, foundation, institution, or  
11 organization, other than a limited liability company, that is  
12 organized and operated as a not-for-profit service enterprise  
13 for the benefit of persons 65 years of age or older if the  
14 personal property was not purchased by the enterprise for the  
15 purpose of resale by the enterprise.

16 (2) Personal property purchased by a not-for-profit  
17 Illinois county fair association for use in conducting,  
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts or  
20 cultural organization that establishes, by proof required by  
21 the Department by rule, that it has received an exemption under  
22 Section 501(c)(3) of the Internal Revenue Code and that is  
23 organized and operated primarily for the presentation or

1 support of arts or cultural programming, activities, or  
2 services. These organizations include, but are not limited to,  
3 music and dramatic arts organizations such as symphony  
4 orchestras and theatrical groups, arts and cultural service  
5 organizations, local arts councils, visual arts organizations,  
6 and media arts organizations. On and after the effective date  
7 of this amendatory Act of the 92nd General Assembly, however,  
8 an entity otherwise eligible for this exemption shall not make  
9 tax-free purchases unless it has an active identification  
10 number issued by the Department.

11 (4) Personal property purchased by a governmental body, by  
12 a corporation, society, association, foundation, or  
13 institution organized and operated exclusively for charitable,  
14 religious, or educational purposes, or by a not-for-profit  
15 corporation, society, association, foundation, institution, or  
16 organization that has no compensated officers or employees and  
17 that is organized and operated primarily for the recreation of  
18 persons 55 years of age or older. A limited liability company  
19 may qualify for the exemption under this paragraph only if the  
20 limited liability company is organized and operated  
21 exclusively for educational purposes. On and after July 1,  
22 1987, however, no entity otherwise eligible for this exemption  
23 shall make tax-free purchases unless it has an active exemption  
24 identification number issued by the Department.

25 (5) Until July 1, 2003, a passenger car that is a  
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,  
3 2004 through August 30, 2014, graphic arts machinery and  
4 equipment, including repair and replacement parts, both new and  
5 used, and including that manufactured on special order,  
6 certified by the purchaser to be used primarily for graphic  
7 arts production, and including machinery and equipment  
8 purchased for lease. Equipment includes chemicals or chemicals  
9 acting as catalysts but only if the chemicals or chemicals  
10 acting as catalysts effect a direct and immediate change upon a  
11 graphic arts product.

12 (7) Farm chemicals.

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

17 (9) Personal property purchased from a teacher-sponsored  
18 student organization affiliated with an elementary or  
19 secondary school located in Illinois.

20 (10) A motor vehicle of the first division, a motor vehicle  
21 of the second division that is a self-contained motor vehicle  
22 designed or permanently converted to provide living quarters  
23 for recreational, camping, or travel use, with direct walk  
24 through to the living quarters from the driver's seat, or a  
25 motor vehicle of the second division that is of the van  
26 configuration designed for the transportation of not less than

1 7 nor more than 16 passengers, as defined in Section 1-146 of  
2 the Illinois Vehicle Code, that is used for automobile renting,  
3 as defined in the Automobile Renting Occupation and Use Tax  
4 Act.

5 (11) Farm machinery and equipment, both new and used,  
6 including that manufactured on special order, certified by the  
7 purchaser to be used primarily for production agriculture or  
8 State or federal agricultural programs, including individual  
9 replacement parts for the machinery and equipment, including  
10 machinery and equipment purchased for lease, and including  
11 implements of husbandry defined in Section 1-130 of the  
12 Illinois Vehicle Code, farm machinery and agricultural  
13 chemical and fertilizer spreaders, and nurse wagons required to  
14 be registered under Section 3-809 of the Illinois Vehicle Code,  
15 but excluding other motor vehicles required to be registered  
16 under the Illinois Vehicle Code. Horticultural polyhouses or  
17 hoop houses used for propagating, growing, or overwintering  
18 plants shall be considered farm machinery and equipment under  
19 this item (11). Agricultural chemical tender tanks and dry  
20 boxes shall include units sold separately from a motor vehicle  
21 required to be licensed and units sold mounted on a motor  
22 vehicle required to be licensed if the selling price of the  
23 tender is separately stated.

24 Farm machinery and equipment shall include precision  
25 farming equipment that is installed or purchased to be  
26 installed on farm machinery and equipment including, but not

1 limited to, tractors, harvesters, sprayers, planters, seeders,  
2 or spreaders. Precision farming equipment includes, but is not  
3 limited to, soil testing sensors, computers, monitors,  
4 software, global positioning and mapping systems, and other  
5 such equipment.

6 Farm machinery and equipment also includes computers,  
7 sensors, software, and related equipment used primarily in the  
8 computer-assisted operation of production agriculture  
9 facilities, equipment, and activities such as, but not limited  
10 to, the collection, monitoring, and correlation of animal and  
11 crop data for the purpose of formulating animal diets and  
12 agricultural chemicals. This item (11) is exempt from the  
13 provisions of Section 3-90.

14 (12) Fuel and petroleum products sold to or used by an air  
15 common carrier, certified by the carrier to be used for  
16 consumption, shipment, or storage in the conduct of its  
17 business as an air common carrier, for a flight destined for or  
18 returning from a location or locations outside the United  
19 States without regard to previous or subsequent domestic  
20 stopovers.

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

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

3 (14) Until July 1, 2003, oil field exploration, drilling,  
4 and production equipment, including (i) rigs and parts of rigs,  
5 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
6 tubular goods, including casing and drill strings, (iii) pumps  
7 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
8 individual replacement part for oil field exploration,  
9 drilling, and production equipment, and (vi) machinery and  
10 equipment purchased for lease; but excluding motor vehicles  
11 required to be registered under the Illinois Vehicle Code.

12 (15) Photoprocessing machinery and equipment, including  
13 repair and replacement parts, both new and used, including that  
14 manufactured on special order, certified by the purchaser to be  
15 used primarily for photoprocessing, and including  
16 photoprocessing machinery and equipment purchased for lease.

17 (16) Until July 1, 2003, coal exploration, mining,  
18 offhighway hauling, processing, maintenance, and reclamation  
19 equipment, including replacement parts and equipment, and  
20 including equipment purchased for lease, but excluding motor  
21 vehicles required to be registered under the Illinois Vehicle  
22 Code.

23 (17) Until July 1, 2003, distillation machinery and  
24 equipment, sold as a unit or kit, assembled or installed by the  
25 retailer, certified by the user to be used only for the  
26 production of ethyl alcohol that will be used for consumption

1 as motor fuel or as a component of motor fuel for the personal  
2 use of the user, and not subject to sale or resale.

3 (18) Manufacturing and assembling machinery and equipment  
4 used primarily in the process of manufacturing or assembling  
5 tangible personal property for wholesale or retail sale or  
6 lease, whether that sale or lease is made directly by the  
7 manufacturer or by some other person, whether the materials  
8 used in the process are owned by the manufacturer or some other  
9 person, or whether that sale or lease is made apart from or as  
10 an incident to the seller's engaging in the service occupation  
11 of producing machines, tools, dies, jigs, patterns, gauges, or  
12 other similar items of no commercial value on special order for  
13 a particular purchaser.

14 (19) Personal property delivered to a purchaser or  
15 purchaser's donee inside Illinois when the purchase order for  
16 that personal property was received by a florist located  
17 outside Illinois who has a florist located inside Illinois  
18 deliver the personal property.

19 (20) Semen used for artificial insemination of livestock  
20 for direct agricultural production.

21 (21) Horses, or interests in horses, registered with and  
22 meeting the requirements of any of the Arabian Horse Club  
23 Registry of America, Appaloosa Horse Club, American Quarter  
24 Horse Association, United States Trotting Association, or  
25 Jockey Club, as appropriate, used for purposes of breeding or  
26 racing for prizes. This item (21) is exempt from the provisions

1 of Section 3-90, and the exemption provided for under this item  
2 (21) applies for all periods beginning May 30, 1995, but no  
3 claim for credit or refund is allowed on or after January 1,  
4 2008 for such taxes paid during the period beginning May 30,  
5 2000 and ending on January 1, 2008.

6 (22) Computers and communications equipment utilized for  
7 any hospital purpose and equipment used in the diagnosis,  
8 analysis, or treatment of hospital patients purchased by a  
9 lessor who leases the equipment, under a lease of one year or  
10 longer executed or in effect at the time the lessor would  
11 otherwise be subject to the tax imposed by this Act, to a  
12 hospital that has been issued an active tax exemption  
13 identification number by the Department under Section 1g of the  
14 Retailers' Occupation Tax Act. If the equipment is leased in a  
15 manner that does not qualify for this exemption or is used in  
16 any other non-exempt manner, the lessor shall be liable for the  
17 tax imposed under this Act or the Service Use Tax Act, as the  
18 case may be, based on the fair market value of the property at  
19 the time the non-qualifying use occurs. No lessor shall collect  
20 or attempt to collect an amount (however designated) that  
21 purports to reimburse that lessor for the tax imposed by this  
22 Act or the Service Use Tax Act, as the case may be, if the tax  
23 has not been paid by the lessor. If a lessor improperly  
24 collects any such amount from the lessee, the lessee shall have  
25 a legal right to claim a refund of that amount from the lessor.  
26 If, however, that amount is not refunded to the lessee for any

1 reason, the lessor is liable to pay that amount to the  
2 Department.

3 (23) Personal property purchased by a lessor who leases the  
4 property, under a lease of one year or longer executed or in  
5 effect at the time the lessor would otherwise be subject to the  
6 tax imposed by this Act, to a governmental body that has been  
7 issued an active sales tax exemption identification number by  
8 the Department under Section 1g of the Retailers' Occupation  
9 Tax Act. If the property is leased in a manner that does not  
10 qualify for this exemption or used in any other non-exempt  
11 manner, the lessor shall be liable for the tax imposed under  
12 this Act or the Service Use Tax Act, as the case may be, based  
13 on the fair market value of the property at the time the  
14 non-qualifying use occurs. No lessor shall collect or attempt  
15 to collect an amount (however designated) that purports to  
16 reimburse that lessor for the tax imposed by this Act or the  
17 Service Use Tax Act, as the case may be, if the tax has not been  
18 paid by the lessor. If a lessor improperly collects any such  
19 amount from the lessee, the lessee shall have a legal right to  
20 claim a refund of that amount from the lessor. If, however,  
21 that amount is not refunded to the lessee for any reason, the  
22 lessor is liable to pay that amount to the Department.

23 (24) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on or  
25 before December 31, 2004, personal property that is donated for  
26 disaster relief to be used in a State or federally declared

1 disaster area in Illinois or bordering Illinois by a  
2 manufacturer or retailer that is registered in this State to a  
3 corporation, society, association, foundation, or institution  
4 that has been issued a sales tax exemption identification  
5 number by the Department that assists victims of the disaster  
6 who reside within the declared disaster area.

7 (25) Beginning with taxable years ending on or after  
8 December 31, 1995 and ending with taxable years ending on or  
9 before December 31, 2004, personal property that is used in the  
10 performance of infrastructure repairs in this State, including  
11 but not limited to municipal roads and streets, access roads,  
12 bridges, sidewalks, waste disposal systems, water and sewer  
13 line extensions, water distribution and purification  
14 facilities, storm water drainage and retention facilities, and  
15 sewage treatment facilities, resulting from a State or  
16 federally declared disaster in Illinois or bordering Illinois  
17 when such repairs are initiated on facilities located in the  
18 declared disaster area within 6 months after the disaster.

19 (26) Beginning July 1, 1999, game or game birds purchased  
20 at a "game breeding and hunting preserve area" or an "exotic  
21 game hunting area" as those terms are used in the Wildlife Code  
22 or at a hunting enclosure approved through rules adopted by the  
23 Department of Natural Resources. This paragraph is exempt from  
24 the provisions of Section 3-90.

25 (27) A motor vehicle, as that term is defined in Section  
26 1-146 of the Illinois Vehicle Code, that is donated to a

1 corporation, limited liability company, society, association,  
2 foundation, or institution that is determined by the Department  
3 to be organized and operated exclusively for educational  
4 purposes. For purposes of this exemption, "a corporation,  
5 limited liability company, society, association, foundation,  
6 or institution organized and operated exclusively for  
7 educational purposes" means all tax-supported public schools,  
8 private schools that offer systematic instruction in useful  
9 branches of learning by methods common to public schools and  
10 that compare favorably in their scope and intensity with the  
11 course of study presented in tax-supported schools, and  
12 vocational or technical schools or institutes organized and  
13 operated exclusively to provide a course of study of not less  
14 than 6 weeks duration and designed to prepare individuals to  
15 follow a trade or to pursue a manual, technical, mechanical,  
16 industrial, business, or commercial occupation.

17 (28) Beginning January 1, 2000, personal property,  
18 including food, purchased through fundraising events for the  
19 benefit of a public or private elementary or secondary school,  
20 a group of those schools, or one or more school districts if  
21 the events are sponsored by an entity recognized by the school  
22 district that consists primarily of volunteers and includes  
23 parents and teachers of the school children. This paragraph  
24 does not apply to fundraising events (i) for the benefit of  
25 private home instruction or (ii) for which the fundraising  
26 entity purchases the personal property sold at the events from

1 another individual or entity that sold the property for the  
2 purpose of resale by the fundraising entity and that profits  
3 from the sale to the fundraising entity. This paragraph is  
4 exempt from the provisions of Section 3-90.

5 (29) Beginning January 1, 2000 and through December 31,  
6 2001, new or used automatic vending machines that prepare and  
7 serve hot food and beverages, including coffee, soup, and other  
8 items, and replacement parts for these machines. Beginning  
9 January 1, 2002 and through June 30, 2003, machines and parts  
10 for machines used in commercial, coin-operated amusement and  
11 vending business if a use or occupation tax is paid on the  
12 gross receipts derived from the use of the commercial,  
13 coin-operated amusement and vending machines. This paragraph  
14 is exempt from the provisions of Section 3-90.

15 (30) Beginning January 1, 2001 and through June 30, 2011,  
16 food for human consumption that is to be consumed off the  
17 premises where it is sold (other than alcoholic beverages, soft  
18 drinks, and food that 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, for human  
22 use, when purchased for use by a person receiving medical  
23 assistance under Article V of the Illinois Public Aid Code who  
24 resides in a licensed long-term care facility, as defined in  
25 the Nursing Home Care Act, or in a licensed facility as defined  
26 in the MR/DD Community Care Act.

1           (31) Beginning on the effective date of this amendatory Act  
2 of the 92nd General Assembly, computers and communications  
3 equipment utilized for any hospital purpose and equipment used  
4 in the diagnosis, analysis, or treatment of hospital patients  
5 purchased by a lessor who leases the equipment, under a lease  
6 of one year or longer executed or in effect at the time the  
7 lessor would otherwise be subject to the tax imposed by this  
8 Act, to a hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of the  
10 Retailers' Occupation Tax Act. If the equipment is leased in a  
11 manner that does not qualify for this exemption or is used in  
12 any other nonexempt manner, the lessor shall be liable for the  
13 tax imposed under this Act or the Service Use Tax Act, as the  
14 case may be, based on the fair market value of the property at  
15 the time the nonqualifying use occurs. No lessor shall collect  
16 or attempt to collect an amount (however designated) that  
17 purports to reimburse that lessor for the tax imposed by this  
18 Act or the Service Use Tax Act, as the case may be, if the tax  
19 has not been paid by the lessor. If a lessor improperly  
20 collects any such amount from the lessee, the lessee shall have  
21 a legal right to claim a refund of that amount from the lessor.  
22 If, however, that amount is not refunded to the lessee for any  
23 reason, the lessor is liable to pay that amount to the  
24 Department. This paragraph is exempt from the provisions of  
25 Section 3-90.

26           (32) Beginning on the effective date of this amendatory Act

1 of the 92nd General Assembly, personal property purchased by a  
2 lessor who leases the property, under a lease of one year or  
3 longer executed or in effect at the time the lessor would  
4 otherwise be subject to the tax imposed by this Act, to a  
5 governmental body that has been issued an active sales tax  
6 exemption identification number by the Department under  
7 Section 1g of the Retailers' Occupation Tax Act. If the  
8 property is leased in a manner that does not qualify for this  
9 exemption or used in any other nonexempt manner, the lessor  
10 shall be liable for the tax imposed under this Act or the  
11 Service Use Tax Act, as the case may be, based on the fair  
12 market value of the property at the time the nonqualifying use  
13 occurs. No lessor shall collect or attempt to collect an amount  
14 (however designated) that purports to reimburse that lessor for  
15 the tax imposed by this Act or the Service Use Tax Act, as the  
16 case may be, if the tax has not been paid by the lessor. If a  
17 lessor improperly collects any such amount from the lessee, the  
18 lessee shall have a legal right to claim a refund of that  
19 amount from the lessor. If, however, that amount is not  
20 refunded to the lessee for any reason, the lessor is liable to  
21 pay that amount to the Department. This paragraph is exempt  
22 from the provisions of Section 3-90.

23 (33) On and after July 1, 2003 and through June 30, 2004,  
24 the use in this State of motor vehicles of the second division  
25 with a gross vehicle weight in excess of 8,000 pounds and that  
26 are subject to the commercial distribution fee imposed under

1 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
2 1, 2004 and through June 30, 2005, the use in this State of  
3 motor vehicles of the second division: (i) with a gross vehicle  
4 weight rating in excess of 8,000 pounds; (ii) that are subject  
5 to the commercial distribution fee imposed under Section  
6 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
7 primarily used for commercial purposes. Through June 30, 2005,  
8 this exemption applies to repair and replacement parts added  
9 after the initial purchase of such a motor vehicle if that  
10 motor vehicle is used in a manner that would qualify for the  
11 rolling stock exemption otherwise provided for in this Act. For  
12 purposes of this paragraph, the term "used for commercial  
13 purposes" means the transportation of persons or property in  
14 furtherance of any commercial or industrial enterprise,  
15 whether for-hire or not.

16 (34) Beginning January 1, 2008, tangible personal property  
17 used in the construction or maintenance of a community water  
18 supply, as defined under Section 3.145 of the Environmental  
19 Protection Act, that is operated by a not-for-profit  
20 corporation that holds a valid water supply permit issued under  
21 Title IV of the Environmental Protection Act. This paragraph is  
22 exempt from the provisions of Section 3-90.

23 (35) Beginning January 1, 2010, materials, parts,  
24 equipment, components, and furnishings incorporated into or  
25 upon an aircraft as part of the modification, refurbishment,  
26 completion, replacement, repair, or maintenance of the

1 aircraft. This exemption includes consumable supplies used in  
2 the modification, refurbishment, completion, replacement,  
3 repair, and maintenance of aircraft, but excludes any  
4 materials, parts, equipment, components, and consumable  
5 supplies used in the modification, replacement, repair, and  
6 maintenance of aircraft engines or power plants, whether such  
7 engines or power plants are installed or uninstalled upon any  
8 such aircraft. "Consumable supplies" include, but are not  
9 limited to, adhesive, tape, sandpaper, general purpose  
10 lubricants, cleaning solution, latex gloves, and protective  
11 films. This exemption applies only to those organizations that  
12 (i) hold an Air Agency Certificate and are empowered to operate  
13 an approved repair station by the Federal Aviation  
14 Administration, (ii) have a Class IV Rating, and (iii) conduct  
15 operations in accordance with Part 145 of the Federal Aviation  
16 Regulations. The exemption does not include aircraft operated  
17 by a commercial air carrier providing scheduled passenger air  
18 service pursuant to authority issued under Part 121 or Part 129  
19 of the Federal Aviation Regulations.

20 (36) Tangible personal property purchased by a  
21 public-facilities corporation, as described in Section  
22 11-65-10 of the Illinois Municipal Code, for purposes of  
23 constructing or furnishing a municipal convention hall, but  
24 only if the legal title to the municipal convention hall is  
25 transferred to the municipality without any further  
26 consideration by or on behalf of the municipality at the time

1 of the completion of the municipal convention hall or upon the  
2 retirement or redemption of any bonds or other debt instruments  
3 issued by the public-facilities corporation in connection with  
4 the development of the municipal convention hall. This  
5 exemption includes existing public-facilities corporations as  
6 provided in Section 11-65-25 of the Illinois Municipal Code.  
7 This paragraph is exempt from the provisions of Section 3-90.

8 (37) Tangible personal property purchased from a business  
9 located in a business corridor established under Section  
10 11-74.7-1 of the Illinois Municipal Code. This exemption  
11 applies beginning on the first day of the first month to occur  
12 not less than 30 days after the business corridor is  
13 established and continues through December 31 of the fifth  
14 calendar year after the business corridor is established. This  
15 paragraph is exempt from the provisions of Section 3-90.

16 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
17 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
18 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
19 7-2-10.)

20 (35 ILCS 105/3-10)

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

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

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

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

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

1 proceeds of sales made on or after July 1, 2003 and on or  
2 before December 31, 2013, and (iii) 100% of the proceeds of  
3 sales made thereafter. If, at any time, however, the tax under  
4 this Act on sales of gasohol is imposed at the rate of 1.25%,  
5 then the tax imposed by this Act applies to 100% of the  
6 proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, the tax  
8 imposed by this Act does not apply to the proceeds of sales  
9 made on or after July 1, 2003 and on or before December 31,  
10 2013 but applies to 100% of the proceeds of sales made  
11 thereafter.

12 With respect to biodiesel blends with no less than 1% and  
13 no more than 10% biodiesel, the tax imposed by this Act applies  
14 to (i) 80% of the proceeds of sales made on or after July 1,  
15 2003 and on or before December 31, 2013 and (ii) 100% of the  
16 proceeds of sales made thereafter. If, at any time, however,  
17 the tax under this Act on sales of biodiesel blends with no  
18 less than 1% and no more than 10% biodiesel is imposed at the  
19 rate of 1.25%, then the tax imposed by this Act applies to 100%  
20 of the proceeds of sales of biodiesel blends with no less than  
21 1% and no more than 10% biodiesel made during that time.

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

1           With respect to food for human consumption that is to be  
2 consumed off the premises where it is sold (other than  
3 alcoholic beverages, soft drinks, and food that has been  
4 prepared for immediate consumption) and prescription and  
5 nonprescription medicines, drugs, medical appliances,  
6 modifications to a motor vehicle for the purpose of rendering  
7 it usable by a disabled person, and insulin, urine testing  
8 materials, syringes, and needles used by diabetics, for human  
9 use, the tax is imposed at the rate of 1%. For the purposes of  
10 this Section, until September 1, 2009: the term "soft drinks"  
11 means any complete, finished, ready-to-use, non-alcoholic  
12 drink, whether carbonated or not, including but not limited to  
13 soda water, cola, fruit juice, vegetable juice, carbonated  
14 water, and all other preparations commonly known as soft drinks  
15 of whatever kind or description that are contained in any  
16 closed or sealed bottle, can, carton, or container, regardless  
17 of size; but "soft drinks" does not include coffee, tea,  
18 non-carbonated water, infant formula, milk or milk products as  
19 defined in the Grade A Pasteurized Milk and Milk Products Act,  
20 or drinks containing 50% or more natural fruit or vegetable  
21 juice.

22           Notwithstanding any other provisions of this Act,  
23 beginning September 1, 2009, "soft drinks" means non-alcoholic  
24 beverages that contain natural or artificial sweeteners. "Soft  
25 drinks" do not include beverages that contain milk or milk  
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

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

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

23       Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "nonprescription medicines and  
25 drugs" does not include grooming and hygiene products. For  
26 purposes of this Section, "grooming and hygiene products"

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

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

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

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

21 With respect to tangible personal property purchased from a  
22 retailer located in a business corridor established under  
23 Section 11-74.7-1 of the Illinois Municipal Code (other than  
24 food for human consumption that is to be consumed off the  
25 premises where it is sold and nonprescription medicines and  
26 drugs), during the sixth calendar year after the business

1 corridor is established, the tax imposed by this Act is at the  
2 rate of 3% of either the selling price or the fair market  
3 value, if any, of the tangible personal property.

4 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
5 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

6 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 the sale of the same property.

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

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

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

- 24 1. The name of the seller;
- 25 2. The address of the principal place of business from  
26 which he engages in the business of selling tangible

1 personal property at retail in this State;

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

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

9 5. The amount of tax due;

10 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

24 All taxpayers required to make payment by electronic funds  
25 transfer and any taxpayers authorized to voluntarily make  
26 payments by electronic funds transfer shall make those payments

1 in the manner authorized by the Department.

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

5 Before October 1, 2000, if the taxpayer's average monthly  
6 tax liability to the Department under this Act, the Retailers'  
7 Occupation Tax Act, the Service Occupation Tax Act, the Service  
8 Use Tax Act was \$10,000 or more during the preceding 4 complete  
9 calendar quarters, he shall file a return with the Department  
10 each month by the 20th day of the month next following the  
11 month during which such tax liability is incurred and shall  
12 make payments to the Department on or before the 7th, 15th,  
13 22nd and last day of the month during which such liability is  
14 incurred. On and after October 1, 2000, if the taxpayer's  
15 average monthly tax liability to the Department under this Act,  
16 the Retailers' Occupation Tax Act, the Service Occupation Tax  
17 Act, and the Service Use Tax Act was \$20,000 or more during the  
18 preceding 4 complete calendar quarters, he shall file a return  
19 with the Department each month by the 20th day of the month  
20 next following the month during which such tax liability is  
21 incurred and shall make payment to the Department on or before  
22 the 7th, 15th, 22nd and last day of the month during which such  
23 liability is incurred. If the month during which such tax  
24 liability is incurred began prior to January 1, 1985, each  
25 payment shall be in an amount equal to 1/4 of the taxpayer's  
26 actual liability for the month or an amount set by the

1 Department not to exceed 1/4 of the average monthly liability  
2 of the taxpayer to the Department for the preceding 4 complete  
3 calendar quarters (excluding the month of highest liability and  
4 the month of lowest liability in such 4 quarter period). If the  
5 month during which such tax liability is incurred begins on or  
6 after January 1, 1985, and prior to January 1, 1987, each  
7 payment shall be in an amount equal to 22.5% of the taxpayer's  
8 actual liability for the month or 27.5% of the taxpayer's  
9 liability for the same calendar month of the preceding year. If  
10 the month during which such tax liability is incurred begins on  
11 or after January 1, 1987, and prior to January 1, 1988, each  
12 payment shall be in an amount equal to 22.5% of the taxpayer's  
13 actual liability for the month or 26.25% of the taxpayer's  
14 liability for the same calendar month of the preceding year. If  
15 the month during which such tax liability is incurred begins on  
16 or after January 1, 1988, and prior to January 1, 1989, or  
17 begins on or after January 1, 1996, each payment shall be in an  
18 amount equal to 22.5% of the taxpayer's actual liability for  
19 the month or 25% of the taxpayer's liability for the same  
20 calendar month of the preceding year. If the month during which  
21 such tax liability is incurred begins on or after January 1,  
22 1989, and prior to January 1, 1996, each payment shall be in an  
23 amount equal to 22.5% of the taxpayer's actual liability for  
24 the month or 25% of the taxpayer's liability for the same  
25 calendar month of the preceding year or 100% of the taxpayer's  
26 actual liability for the quarter monthly reporting period. The

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

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

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

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

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

1 year being due by April 20 of such year; with the return for  
2 April, May and June of a given year being due by July 20 of such  
3 year; with the return for July, August and September of a given  
4 year being due by October 20 of such year, and with the return  
5 for 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 to the Department does not exceed \$50, the Department  
10 may authorize his returns to be filed on an annual basis, with  
11 the return for a given year being due by January 20 of the  
12 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 In addition, with respect to motor vehicles, watercraft,  
24 aircraft, and trailers that are required to be registered with  
25 an agency of this State, every retailer selling this kind of  
26 tangible personal property shall file, with the Department,

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

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

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

15 The transaction reporting return in the case of watercraft  
16 and aircraft must show the name and address of the seller; the  
17 name and address of the purchaser; the amount of the selling  
18 price including the amount allowed by the retailer for  
19 traded-in property, if any; the amount allowed by the retailer  
20 for the traded-in tangible personal property, if any, to the  
21 extent to which Section 2 of this Act allows an exemption for  
22 the value of traded-in property; the balance payable after  
23 deducting such trade-in allowance from the total selling price;  
24 the amount of tax due from the retailer with respect to such  
25 transaction; the amount of tax collected from the purchaser by  
26 the retailer on such transaction (or satisfactory evidence that

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

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

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

1 support of such purchaser's application for an Illinois  
2 certificate or other evidence of title or registration to such  
3 tangible personal property.

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

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

1 the tax directly to the Department, he shall pay the tax in the  
2 same amount and in the same form in which it would be remitted  
3 if the tax had been remitted to the Department by the retailer.

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

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

1 return.

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

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

13 Notwithstanding any other provision of law, each month the  
14 Department shall remit 100% of the proceeds of the tax imposed  
15 at the rate of 3% on tangible personal property purchased from  
16 a business located in a business corridor during the sixth  
17 calendar year after the business corridor is established to the  
18 municipalities that created the business corridor, in  
19 accordance with the intergovernmental agreement creating the  
20 corridor.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the State and Local Sales Tax Reform Fund, a special  
23 fund in the State Treasury which is hereby created, the net  
24 revenue realized for the preceding month from the 1% tax on  
25 sales of food for human consumption which is to be consumed off  
26 the premises where it is sold (other than alcoholic beverages,

1 soft drinks and food which has been prepared for immediate  
2 consumption) and prescription and nonprescription medicines,  
3 drugs, medical appliances and insulin, urine testing  
4 materials, syringes and needles used by diabetics.

5 Beginning January 1, 1990, each month the Department shall  
6 pay into the County and Mass Transit District Fund 4% of the  
7 net revenue realized for the preceding month from the 6.25%  
8 general rate on the selling price of tangible personal property  
9 which is purchased outside Illinois at retail from a retailer  
10 and which is titled or registered by an agency of this State's  
11 government.

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, 20% of the net revenue realized for  
15 the preceding month from the 6.25% general rate on the selling  
16 price of tangible personal property, other than tangible  
17 personal property which is purchased outside Illinois at retail  
18 from a retailer and which is titled or registered by an agency  
19 of this State's government.

20 Beginning August 1, 2000, each month the Department shall  
21 pay into the State and Local Sales Tax Reform Fund 100% of the  
22 net revenue realized for the preceding month from the 1.25%  
23 rate on the selling price of motor fuel and gasohol. Beginning  
24 September 1, 2010, each month the Department shall pay into the  
25 State and Local Sales Tax Reform Fund 100% of the net revenue  
26 realized for the preceding month from the 1.25% rate on the

1 selling price of sales tax holiday items.

2 Beginning January 1, 1990, each month the Department shall  
3 pay into the Local Government Tax Fund 16% of the net revenue  
4 realized for the preceding month from the 6.25% general rate on  
5 the selling price of tangible personal property which is  
6 purchased outside Illinois at retail from a retailer and which  
7 is titled or registered by an agency of this State's  
8 government.

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

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

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

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

1 Build Illinois Fund are subject to the pledge, claim and charge  
 2 set forth in Section 12 of the Build Illinois Bond Act.

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

	Fiscal Year	Total Deposit
15		
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

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 2060.

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

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

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

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

19           (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,  
20 eff. 5-27-10; 96-1012, eff. 7-7-10; revised 7-22-10.)

21           Section 10. The Service Use Tax Act is amended by changing  
22 Sections 3-5, 3-10, and 9 as follows:

23           (35 ILCS 110/3-5)

24           Sec. 3-5. Exemptions. Use of the following tangible

1 personal property is exempt from the tax imposed by this Act:

2 (1) Personal property purchased from a corporation,  
3 society, association, foundation, institution, or  
4 organization, other than a limited liability company, that is  
5 organized and operated as a not-for-profit service enterprise  
6 for the benefit of persons 65 years of age or older if the  
7 personal property was not purchased by the enterprise for the  
8 purpose of resale by the enterprise.

9 (2) Personal property purchased by a non-profit Illinois  
10 county fair association for use in conducting, operating, or  
11 promoting the county fair.

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

1           (4) Legal tender, currency, medallions, or gold or silver  
2 coinage issued by the State of Illinois, the government of the  
3 United States of America, or the government of any foreign  
4 country, and bullion.

5           (5) Until July 1, 2003 and beginning again on September 1,  
6 2004 through August 30, 2014, graphic arts machinery and  
7 equipment, including repair and replacement parts, both new and  
8 used, and including that manufactured on special order or  
9 purchased for lease, certified by the purchaser to be used  
10 primarily for graphic arts production. Equipment includes  
11 chemicals or chemicals acting as catalysts but only if the  
12 chemicals or chemicals acting as catalysts effect a direct and  
13 immediate change upon a graphic arts product.

14           (6) Personal property purchased from a teacher-sponsored  
15 student organization affiliated with an elementary or  
16 secondary school located in Illinois.

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

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

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

18 Farm machinery and equipment also includes computers,  
19 sensors, software, and related equipment used primarily in the  
20 computer-assisted operation of production agriculture  
21 facilities, equipment, and activities such as, but not limited  
22 to, the collection, monitoring, and correlation of animal and  
23 crop data for the purpose of formulating animal diets and  
24 agricultural chemicals. This item (7) is exempt from the  
25 provisions of Section 3-75.

26 (8) Fuel and petroleum products sold to or used by an air

1 common carrier, certified by the carrier to be used for  
2 consumption, shipment, or storage in the conduct of its  
3 business as an air common carrier, for a flight destined for or  
4 returning from a location or locations outside the United  
5 States without regard to previous or subsequent domestic  
6 stopovers.

7 (9) Proceeds of mandatory service charges separately  
8 stated on customers' bills for the purchase and consumption of  
9 food and beverages acquired as an incident to the purchase of a  
10 service from a serviceman, to the extent that the proceeds of  
11 the service charge are in fact turned over as tips or as a  
12 substitute for tips to the employees who participate directly  
13 in preparing, serving, hosting or cleaning up the food or  
14 beverage function with respect to which the service charge is  
15 imposed.

16 (10) Until July 1, 2003, oil field exploration, drilling,  
17 and production equipment, including (i) rigs and parts of rigs,  
18 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
19 tubular goods, including casing and drill strings, (iii) pumps  
20 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
21 individual replacement part for oil field exploration,  
22 drilling, and production equipment, and (vi) machinery and  
23 equipment purchased for lease; but excluding motor vehicles  
24 required to be registered under the Illinois Vehicle Code.

25 (11) Proceeds from the sale of photoprocessing machinery  
26 and equipment, including repair and replacement parts, both new

1 and used, including that manufactured on special order,  
2 certified by the purchaser to be used primarily for  
3 photoprocessing, and including photoprocessing machinery and  
4 equipment purchased for lease.

5 (12) Until July 1, 2003, coal exploration, mining,  
6 offhighway hauling, processing, maintenance, and reclamation  
7 equipment, including replacement parts and equipment, and  
8 including equipment purchased for lease, but excluding motor  
9 vehicles required to be registered under the Illinois Vehicle  
10 Code.

11 (13) Semen used for artificial insemination of livestock  
12 for direct agricultural production.

13 (14) Horses, or interests in horses, registered with and  
14 meeting the requirements of any of the Arabian Horse Club  
15 Registry of America, Appaloosa Horse Club, American Quarter  
16 Horse Association, United States Trotting Association, or  
17 Jockey Club, as appropriate, used for purposes of breeding or  
18 racing for prizes. This item (14) is exempt from the provisions  
19 of Section 3-75, and the exemption provided for under this item  
20 (14) applies for all periods beginning May 30, 1995, but no  
21 claim for credit or refund is allowed on or after the effective  
22 date of this amendatory Act of the 95th General Assembly for  
23 such taxes paid during the period beginning May 30, 2000 and  
24 ending on the effective date of this amendatory Act of the 95th  
25 General Assembly.

26 (15) Computers and communications equipment utilized for

1 any hospital purpose and equipment used in the diagnosis,  
2 analysis, or treatment of hospital patients purchased by a  
3 lessor who leases the equipment, under a lease of one year or  
4 longer executed or in effect at the time the lessor would  
5 otherwise be subject to the tax imposed by this Act, to a  
6 hospital that has been issued an active tax exemption  
7 identification number by the Department under Section 1g of the  
8 Retailers' Occupation Tax Act. If the equipment is leased in a  
9 manner that does not qualify for this exemption or is used in  
10 any other non-exempt manner, the lessor shall be liable for the  
11 tax imposed under this Act or the Use Tax Act, as the case may  
12 be, based on the fair market value of the property at the time  
13 the non-qualifying use occurs. No lessor shall collect or  
14 attempt to collect an amount (however designated) that purports  
15 to reimburse that lessor for the tax imposed by this Act or the  
16 Use Tax Act, as the case may be, if the tax has not been paid by  
17 the lessor. If a lessor improperly collects any such amount  
18 from the lessee, the lessee shall have a legal right to claim a  
19 refund of that amount from the lessor. If, however, that amount  
20 is not refunded to the lessee for any reason, the lessor is  
21 liable to pay that amount to the Department.

22 (16) Personal property purchased by a lessor who leases the  
23 property, under a lease of one year or longer executed or in  
24 effect at the time the lessor would otherwise be subject to the  
25 tax imposed by this Act, to a governmental body that has been  
26 issued an active tax exemption identification number by the

1 Department under Section 1g of the Retailers' Occupation Tax  
2 Act. If the property is leased in a manner that does not  
3 qualify for this exemption or is used in any other non-exempt  
4 manner, the lessor shall be liable for the tax imposed under  
5 this Act or the Use Tax Act, as the case may be, based on the  
6 fair market value of the property at the time the  
7 non-qualifying use occurs. No lessor shall collect or attempt  
8 to collect an amount (however designated) that purports to  
9 reimburse that lessor for the tax imposed by this Act or the  
10 Use Tax Act, as the case may be, if the tax has not been paid by  
11 the lessor. If a lessor improperly collects any such amount  
12 from the lessee, the lessee shall have a legal right to claim a  
13 refund of that amount from the lessor. If, however, that amount  
14 is not refunded to the lessee for any reason, the lessor is  
15 liable to pay that amount to the Department.

16 (17) Beginning with taxable years ending on or after  
17 December 31, 1995 and ending with taxable years ending on or  
18 before December 31, 2004, personal property that is donated for  
19 disaster relief to be used in a State or federally declared  
20 disaster area in Illinois or bordering Illinois by a  
21 manufacturer or retailer that is registered in this State to a  
22 corporation, society, association, foundation, or institution  
23 that has been issued a sales tax exemption identification  
24 number by the Department that assists victims of the disaster  
25 who reside within the declared disaster area.

26 (18) Beginning with taxable years ending on or after

1 December 31, 1995 and ending with taxable years ending on or  
2 before December 31, 2004, personal property that is used in the  
3 performance of infrastructure repairs in this State, including  
4 but not limited to municipal roads and streets, access roads,  
5 bridges, sidewalks, waste disposal systems, water and sewer  
6 line extensions, water distribution and purification  
7 facilities, storm water drainage and retention facilities, and  
8 sewage treatment facilities, resulting from a State or  
9 federally declared disaster in Illinois or bordering Illinois  
10 when such repairs are initiated on facilities located in the  
11 declared disaster area within 6 months after the disaster.

12 (19) Beginning July 1, 1999, game or game birds purchased  
13 at a "game breeding and hunting preserve area" or an "exotic  
14 game hunting area" as those terms are used in the Wildlife Code  
15 or at a hunting enclosure approved through rules adopted by the  
16 Department of Natural Resources. This paragraph is exempt from  
17 the provisions of Section 3-75.

18 (20) A motor vehicle, as that term is defined in Section  
19 1-146 of the Illinois Vehicle Code, that is donated to a  
20 corporation, limited liability company, society, association,  
21 foundation, or institution that is determined by the Department  
22 to be organized and operated exclusively for educational  
23 purposes. For purposes of this exemption, "a corporation,  
24 limited liability company, society, association, foundation,  
25 or institution organized and operated exclusively for  
26 educational purposes" means all tax-supported public schools,

1 private schools that offer systematic instruction in useful  
2 branches of learning by methods common to public schools and  
3 that compare favorably in their scope and intensity with the  
4 course of study presented in tax-supported schools, and  
5 vocational or technical schools or institutes organized and  
6 operated exclusively to provide a course of study of not less  
7 than 6 weeks duration and designed to prepare individuals to  
8 follow a trade or to pursue a manual, technical, mechanical,  
9 industrial, business, or commercial occupation.

10 (21) Beginning January 1, 2000, personal property,  
11 including food, purchased through fundraising events for the  
12 benefit of a public or private elementary or secondary school,  
13 a group of those schools, or one or more school districts if  
14 the events are sponsored by an entity recognized by the school  
15 district that consists primarily of volunteers and includes  
16 parents and teachers of the school children. This paragraph  
17 does not apply to fundraising events (i) for the benefit of  
18 private home instruction or (ii) for which the fundraising  
19 entity purchases the personal property sold at the events from  
20 another individual or entity that sold the property for the  
21 purpose of resale by the fundraising entity and that profits  
22 from the sale to the fundraising entity. This paragraph is  
23 exempt from the provisions of Section 3-75.

24 (22) Beginning January 1, 2000 and through December 31,  
25 2001, new or used automatic vending machines that prepare and  
26 serve hot food and beverages, including coffee, soup, and other

1 items, and replacement parts for these machines. Beginning  
2 January 1, 2002 and through June 30, 2003, machines and parts  
3 for machines used in commercial, coin-operated amusement and  
4 vending business if a use or occupation tax is paid on the  
5 gross receipts derived from the use of the commercial,  
6 coin-operated amusement and vending machines. This paragraph  
7 is exempt from the provisions of Section 3-75.

8 (23) Beginning August 23, 2001 and through June 30, 2011,  
9 food for human consumption that is to be consumed off the  
10 premises where it is sold (other than alcoholic beverages, soft  
11 drinks, and food that has been prepared for immediate  
12 consumption) and prescription and nonprescription medicines,  
13 drugs, medical appliances, and insulin, urine testing  
14 materials, syringes, and needles used by diabetics, for human  
15 use, when purchased for use by a person receiving medical  
16 assistance under Article V of the Illinois Public Aid Code who  
17 resides in a licensed long-term care facility, as defined in  
18 the Nursing Home Care Act, or in a licensed facility as defined  
19 in the MR/DD Community Care Act.

20 (24) Beginning on the effective date of this amendatory Act  
21 of the 92nd General Assembly, computers and communications  
22 equipment utilized for any hospital purpose and equipment used  
23 in the diagnosis, analysis, or treatment of hospital patients  
24 purchased by a lessor who leases the equipment, under a lease  
25 of one year or longer executed or in effect at the time the  
26 lessor would otherwise be subject to the tax imposed by this

1 Act, to a hospital that has been issued an active tax exemption  
2 identification number by the Department under Section 1g of the  
3 Retailers' Occupation Tax Act. If the equipment is leased in a  
4 manner that does not qualify for this exemption or is used in  
5 any other nonexempt manner, the lessor shall be liable for the  
6 tax imposed under this Act or the Use Tax Act, as the case may  
7 be, based on the fair market value of the property at the time  
8 the nonqualifying use occurs. No lessor shall collect or  
9 attempt to collect an amount (however designated) that purports  
10 to reimburse that lessor for the tax imposed by this Act or the  
11 Use Tax Act, as the case may be, if the tax has not been paid by  
12 the lessor. If a lessor improperly collects any such amount  
13 from the lessee, the lessee shall have a legal right to claim a  
14 refund of that amount from the lessor. If, however, that amount  
15 is not refunded to the lessee for any reason, the lessor is  
16 liable to pay that amount to the Department. This paragraph is  
17 exempt from the provisions of Section 3-75.

18 (25) Beginning on the effective date of this amendatory Act  
19 of the 92nd General Assembly, personal property purchased by a  
20 lessor who leases the property, under a lease of one year or  
21 longer executed or in effect at the time the lessor would  
22 otherwise be subject to the tax imposed by this Act, to a  
23 governmental body that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of the  
25 Retailers' Occupation Tax Act. If the property is leased in a  
26 manner that does not qualify for this exemption or is used in

1 any other nonexempt manner, the lessor shall be liable for the  
2 tax imposed under this Act or the Use Tax Act, as the case may  
3 be, based on the fair market value of the property at the time  
4 the nonqualifying use occurs. No lessor shall collect or  
5 attempt to collect an amount (however designated) that purports  
6 to reimburse that lessor for the tax imposed by this Act or the  
7 Use Tax Act, as the case may be, if the tax has not been paid by  
8 the lessor. If a lessor improperly collects any such amount  
9 from the lessee, the lessee shall have a legal right to claim a  
10 refund of that amount from the lessor. If, however, that amount  
11 is not refunded to the lessee for any reason, the lessor is  
12 liable to pay that amount to the Department. This paragraph is  
13 exempt from the provisions of Section 3-75.

14 (26) Beginning January 1, 2008, tangible personal property  
15 used in the construction or maintenance of a community water  
16 supply, as defined under Section 3.145 of the Environmental  
17 Protection Act, that is operated by a not-for-profit  
18 corporation that holds a valid water supply permit issued under  
19 Title IV of the Environmental Protection Act. This paragraph is  
20 exempt from the provisions of Section 3-75.

21 (27) Beginning January 1, 2010, materials, parts,  
22 equipment, components, and furnishings incorporated into or  
23 upon an aircraft as part of the modification, refurbishment,  
24 completion, replacement, repair, or maintenance of the  
25 aircraft. This exemption includes consumable supplies used in  
26 the modification, refurbishment, completion, replacement,

1 repair, and maintenance of aircraft, but excludes any  
2 materials, parts, equipment, components, and consumable  
3 supplies used in the modification, replacement, repair, and  
4 maintenance of aircraft engines or power plants, whether such  
5 engines or power plants are installed or uninstalled upon any  
6 such aircraft. "Consumable supplies" include, but are not  
7 limited to, adhesive, tape, sandpaper, general purpose  
8 lubricants, cleaning solution, latex gloves, and protective  
9 films. This exemption applies only to those organizations that  
10 (i) hold an Air Agency Certificate and are empowered to operate  
11 an approved repair station by the Federal Aviation  
12 Administration, (ii) have a Class IV Rating, and (iii) conduct  
13 operations in accordance with Part 145 of the Federal Aviation  
14 Regulations. The exemption does not include aircraft operated  
15 by a commercial air carrier providing scheduled passenger air  
16 service pursuant to authority issued under Part 121 or Part 129  
17 of the Federal Aviation Regulations.

18 (28) Tangible personal property purchased by a  
19 public-facilities corporation, as described in Section  
20 11-65-10 of the Illinois Municipal Code, for purposes of  
21 constructing or furnishing a municipal convention hall, but  
22 only if the legal title to the municipal convention hall is  
23 transferred to the municipality without any further  
24 consideration by or on behalf of the municipality at the time  
25 of the completion of the municipal convention hall or upon the  
26 retirement or redemption of any bonds or other debt instruments

1 issued by the public-facilities corporation in connection with  
2 the development of the municipal convention hall. This  
3 exemption includes existing public-facilities corporations as  
4 provided in Section 11-65-25 of the Illinois Municipal Code.  
5 This paragraph is exempt from the provisions of Section 3-75.

6 (29) Tangible personal property purchased from a business  
7 located in a business corridor established under Section  
8 11-74.7-1 of the Illinois Municipal Code. This exemption  
9 applies beginning on the first day of the first month to occur  
10 not less than 30 days after the business corridor is  
11 established and continues through December 31 of the fifth  
12 calendar year after the business corridor is established. This  
13 paragraph is exempt from the provisions of Section 3-75.

14 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
15 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
16 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
17 7-2-10.)

18 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

25 Beginning on July 1, 2000 and through December 31, 2000,

1 with respect to motor fuel, as defined in Section 1.1 of the  
2 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
3 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

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

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

1 at any time, however, the tax under this Act on sales of  
2 biodiesel blends, as defined in the Use Tax Act, with no less  
3 than 1% and no more than 10% biodiesel is imposed at the rate  
4 of 1.25%, then the tax imposed by this Act applies to 100% of  
5 the proceeds of sales of biodiesel blends with no less than 1%  
6 and no more than 10% biodiesel made during that time.

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

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

24 The tax shall be imposed at the rate of 1% on food prepared  
25 for immediate consumption and transferred incident to a sale of  
26 service subject to this Act or the Service Occupation Tax Act

1 by an entity licensed under the Hospital Licensing Act, the  
2 Nursing Home Care Act, the MR/DD Community Care Act, or the  
3 Child Care Act of 1969. The tax shall also be imposed at the  
4 rate of 1% on food for human consumption that is to be consumed  
5 off the premises where it is sold (other than alcoholic  
6 beverages, soft drinks, and food that has been prepared for  
7 immediate consumption and is not otherwise included in this  
8 paragraph) and prescription and nonprescription medicines,  
9 drugs, medical appliances, modifications to a motor vehicle for  
10 the purpose of rendering it usable by a disabled person, and  
11 insulin, urine testing materials, syringes, and needles used by  
12 diabetics, for human use. For the purposes of this Section,  
13 until September 1, 2009: the term "soft drinks" means any  
14 complete, finished, ready-to-use, non-alcoholic drink, whether  
15 carbonated or not, including but not limited to soda water,  
16 cola, fruit juice, vegetable juice, carbonated water, and all  
17 other preparations commonly known as soft drinks of whatever  
18 kind or description that are contained in any closed or sealed  
19 bottle, can, carton, or container, regardless of size; but  
20 "soft drinks" does not include coffee, tea, non-carbonated  
21 water, infant formula, milk or milk products as defined in the  
22 Grade A Pasteurized Milk and Milk Products Act, or drinks  
23 containing 50% or more natural fruit or vegetable juice.

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

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

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

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

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

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

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

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

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

23 With respect to tangible personal property purchased from a  
24 retailer located in a business corridor established under  
25 Section 11-74.7-1 of the Illinois Municipal Code (other than  
26 food for human consumption that is to be consumed off the

1 premises where it is sold and nonprescription medicines and  
2 drugs), during the sixth calendar year after the business  
3 corridor is established, the tax imposed by this Act is at the  
4 rate of 3% of either the selling price or the fair market  
5 value, if any, of the tangible personal property.

6 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
7 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10.)

8 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

23 Except as provided hereinafter in this Section, on or  
24 before the twentieth day of each calendar month, such  
25 serviceman shall file a return for the preceding calendar month

1 in accordance with reasonable Rules and Regulations to be  
2 promulgated by the Department. Such return shall be filed on a  
3 form prescribed by the Department and shall contain such  
4 information as the Department may reasonably require.

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

- 12 1. The name of the seller;
- 13 2. The address of the principal place of business from  
14 which he engages in business as a serviceman in this State;
- 15 3. The total amount of taxable receipts received by him  
16 during the preceding calendar month, including receipts  
17 from charge and time sales, but less all deductions allowed  
18 by law;
- 19 4. The amount of credit provided in Section 2d of this  
20 Act;
- 21 5. The amount of tax due;
- 22 5-5. The signature of the taxpayer; and
- 23 6. Such other reasonable information as the Department  
24 may require.

25 If a taxpayer fails to sign a return within 30 days after  
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be  
2 due on the return shall be deemed assessed.

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

1 funds transfer.

2 Before August 1 of each year beginning in 1993, the  
3 Department shall notify all taxpayers required to make payments  
4 by electronic funds transfer. All taxpayers required to make  
5 payments by electronic funds transfer shall make those payments  
6 for a minimum of one year beginning on October 1.

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

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

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

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

1 January 20 of the following year.

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

8 Such quarter annual and annual returns, as to form and  
9 substance, shall be subject to the same requirements as monthly  
10 returns.

11 Notwithstanding any other provision in this Act concerning  
12 the time within which a serviceman may file his return, in the  
13 case of any serviceman who ceases to engage in a kind of  
14 business which makes him responsible for filing returns under  
15 this Act, such serviceman shall file a final return under this  
16 Act with the Department not more than 1 month after  
17 discontinuing such business.

18 Where a serviceman collects the tax with respect to the  
19 selling price of property which he sells and the purchaser  
20 thereafter returns such property and the serviceman refunds the  
21 selling price thereof to the purchaser, such serviceman shall  
22 also refund, to the purchaser, the tax so collected from the  
23 purchaser. When filing his return for the period in which he  
24 refunds such tax to the purchaser, the serviceman may deduct  
25 the amount of the tax so refunded by him to the purchaser from  
26 any other Service Use Tax, Service Occupation Tax, retailers'

1 occupation tax or use tax which such serviceman may be required  
2 to pay or remit to the Department, as shown by such return,  
3 provided that the amount of the tax to be deducted shall  
4 previously have been remitted to the Department by such  
5 serviceman. If the serviceman shall not previously have  
6 remitted the amount of such tax to the Department, he shall be  
7 entitled to no deduction hereunder upon refunding such tax to  
8 the purchaser.

9 Any serviceman filing a return hereunder shall also include  
10 the total tax upon the selling price of tangible personal  
11 property purchased for use by him as an incident to a sale of  
12 service, and such serviceman shall remit the amount of such tax  
13 to the Department when filing such return.

14 If experience indicates such action to be practicable, the  
15 Department may prescribe and furnish a combination or joint  
16 return which will enable servicemen, who are required to file  
17 returns hereunder and also under the Service Occupation Tax  
18 Act, to furnish all the return information required by both  
19 Acts on the one form.

20 Where the serviceman has more than one business registered  
21 with the Department under separate registration hereunder,  
22 such serviceman shall not file each return that is due as a  
23 single return covering all such registered businesses, but  
24 shall file separate returns for each such registered business.

25 Notwithstanding any other provision of law, each month the  
26 Department shall remit 100% of the proceeds of the tax imposed

1 at the rate of 3% on tangible personal property purchased from  
2 a business located in a business corridor during the sixth  
3 calendar year after the business corridor is established to the  
4 municipalities that created the business corridor, in  
5 accordance with the intergovernmental agreement creating the  
6 corridor.

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

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the State and Local Sales Tax Reform Fund 20% of the  
19 net revenue realized for the preceding month from the 6.25%  
20 general rate on transfers of tangible personal property, other  
21 than tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by an agency of this State's government.

24 Beginning August 1, 2000, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund 100% of the  
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol.

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

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

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

1 thereto, all as certified by the Director of the Bureau of the  
2 Budget (now Governor's Office of Management and Budget). If on  
3 the last business day of any month in which Bonds are  
4 outstanding pursuant to the Build Illinois Bond Act, the  
5 aggregate of the moneys deposited in the Build Illinois Bond  
6 Account in the Build Illinois Fund in such month shall be less  
7 than the amount required to be transferred in such month from  
8 the Build Illinois Bond Account to the Build Illinois Bond  
9 Retirement and Interest Fund pursuant to Section 13 of the  
10 Build Illinois Bond Act, an amount equal to such deficiency  
11 shall be immediately paid from other moneys received by the  
12 Department pursuant to the Tax Acts to the Build Illinois Fund;  
13 provided, however, that any amounts paid to the Build Illinois  
14 Fund in any fiscal year pursuant to this sentence shall be  
15 deemed to constitute payments pursuant to clause (b) of the  
16 preceding sentence and shall reduce the amount otherwise  
17 payable for such fiscal year pursuant to clause (b) of the  
18 preceding sentence. The moneys received by the Department  
19 pursuant to this Act and required to be deposited into the  
20 Build Illinois Fund are subject to the pledge, claim and charge  
21 set forth in Section 12 of the Build Illinois Bond Act.

22 Subject to payment of amounts into the Build Illinois Fund  
23 as provided in the preceding paragraph or in any amendment  
24 thereto hereafter enacted, the following specified monthly  
25 installment of the amount requested in the certificate of the  
26 Chairman of the Metropolitan Pier and Exposition Authority

1 provided under Section 8.25f of the State Finance Act, but not  
 2 in excess of the sums designated as "Total Deposit", shall be  
 3 deposited in the aggregate from collections under Section 9 of  
 4 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 5 9 of the Service Occupation Tax Act, and Section 3 of the  
 6 Retailers' Occupation Tax Act into the McCormick Place  
 7 Expansion Project Fund in the specified fiscal years.

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

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	246,000,000
13	2022	260,000,000
14	2023	275,000,000
15	2024	275,000,000
16	2025	275,000,000
17	2026	279,000,000
18	2027	292,000,000
19	2028	307,000,000
20	2029	322,000,000
21	2030	338,000,000
22	2031	350,000,000
23	2032	350,000,000
24	and	
25	each fiscal year	
26	thereafter that bonds	

1           are outstanding under  
2           Section 13.2 of the  
3           Metropolitan Pier and  
4           Exposition Authority Act,  
5       but not after fiscal year 2060.

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

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

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

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

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

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

1 overpayment of liability.

2 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,  
3 eff. 5-27-10.)

4 Section 15. The Service Occupation Tax Act is amended by  
5 changing Sections 3-5, 3-10, and 9 as follows:

6 (35 ILCS 115/3-5)

7 Sec. 3-5. Exemptions. The following tangible personal  
8 property is exempt from the tax imposed by this Act:

9 (1) Personal property sold by a corporation, society,  
10 association, foundation, institution, or organization, other  
11 than a limited liability company, that is organized and  
12 operated as a not-for-profit service enterprise for the benefit  
13 of persons 65 years of age or older if the personal property  
14 was not purchased by the enterprise for the purpose of resale  
15 by the enterprise.

16 (2) Personal property purchased by a not-for-profit  
17 Illinois county fair association for use in conducting,  
18 operating, or promoting the county fair.

19 (3) Personal property purchased by any not-for-profit arts  
20 or cultural organization that establishes, by proof required by  
21 the Department by rule, that it has received an exemption under  
22 Section 501(c)(3) of the Internal Revenue Code and that is  
23 organized and operated primarily for the presentation or  
24 support of arts or cultural programming, activities, or

1 services. These organizations include, but are not limited to,  
2 music and dramatic arts organizations such as symphony  
3 orchestras and theatrical groups, arts and cultural service  
4 organizations, local arts councils, visual arts organizations,  
5 and media arts organizations. On and after the effective date  
6 of this amendatory Act of the 92nd General Assembly, however,  
7 an entity otherwise eligible for this exemption shall not make  
8 tax-free purchases unless it has an active identification  
9 number issued by the Department.

10 (4) Legal tender, currency, medallions, or gold or silver  
11 coinage issued by the State of Illinois, the government of the  
12 United States of America, or the government of any foreign  
13 country, and bullion.

14 (5) Until July 1, 2003 and beginning again on September 1,  
15 2004 through August 30, 2014, graphic arts machinery and  
16 equipment, including repair and replacement parts, both new and  
17 used, and including that manufactured on special order or  
18 purchased for lease, certified by the purchaser to be used  
19 primarily for graphic arts production. Equipment includes  
20 chemicals or chemicals acting as catalysts but only if the  
21 chemicals or chemicals acting as catalysts effect a direct and  
22 immediate change upon a graphic arts product.

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

26 (7) Farm machinery and equipment, both new and used,

1 including that manufactured on special order, certified by the  
2 purchaser to be used primarily for production agriculture or  
3 State or federal agricultural programs, including individual  
4 replacement parts for the machinery and equipment, including  
5 machinery and equipment purchased for lease, and including  
6 implements of husbandry defined in Section 1-130 of the  
7 Illinois Vehicle Code, farm machinery and agricultural  
8 chemical and fertilizer spreaders, and nurse wagons required to  
9 be registered under Section 3-809 of the Illinois Vehicle Code,  
10 but excluding other motor vehicles required to be registered  
11 under the Illinois Vehicle Code. Horticultural polyhouses or  
12 hoop houses used for propagating, growing, or overwintering  
13 plants shall be considered farm machinery and equipment under  
14 this item (7). Agricultural chemical tender tanks and dry boxes  
15 shall include units sold separately from a motor vehicle  
16 required to be licensed and units sold mounted on a motor  
17 vehicle required to be licensed if the selling price of the  
18 tender is separately stated.

19 Farm machinery and equipment shall include precision  
20 farming equipment that is installed or purchased to be  
21 installed on farm machinery and equipment including, but not  
22 limited to, tractors, harvesters, sprayers, planters, seeders,  
23 or spreaders. Precision farming equipment includes, but is not  
24 limited to, soil testing sensors, computers, monitors,  
25 software, global positioning and mapping systems, and other  
26 such equipment.

1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals. This item (7) is exempt from the  
8 provisions of Section 3-55.

9 (8) Fuel and petroleum products sold to or used by an air  
10 common carrier, certified by the carrier to be used for  
11 consumption, shipment, or storage in the conduct of its  
12 business as an air common carrier, for a flight destined for or  
13 returning from a location or locations outside the United  
14 States without regard to previous or subsequent domestic  
15 stopovers.

16 (9) Proceeds of mandatory service charges separately  
17 stated on customers' bills for the purchase and consumption of  
18 food and beverages, to the extent that the proceeds of the  
19 service charge are in fact turned over as tips or as a  
20 substitute for tips to the employees who participate directly  
21 in preparing, serving, hosting or cleaning up the food or  
22 beverage function with respect to which the service charge is  
23 imposed.

24 (10) Until July 1, 2003, oil field exploration, drilling,  
25 and production equipment, including (i) rigs and parts of rigs,  
26 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and

1 tubular goods, including casing and drill strings, (iii) pumps  
2 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
3 individual replacement part for oil field exploration,  
4 drilling, and production equipment, and (vi) machinery and  
5 equipment purchased for lease; but excluding motor vehicles  
6 required to be registered under the Illinois Vehicle Code.

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

12 (12) Until July 1, 2003, coal exploration, mining,  
13 offhighway hauling, processing, maintenance, and reclamation  
14 equipment, including replacement parts and equipment, and  
15 including equipment purchased for lease, but excluding motor  
16 vehicles required to be registered under the Illinois Vehicle  
17 Code.

18 (13) Beginning January 1, 1992 and through June 30, 2011,  
19 food for human consumption that is to be consumed off the  
20 premises where it is sold (other than alcoholic beverages, soft  
21 drinks and food that has been prepared for immediate  
22 consumption) and prescription and non-prescription medicines,  
23 drugs, medical appliances, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use, when purchased for use by a person receiving medical  
26 assistance under Article V of the Illinois Public Aid Code who

1 resides in a licensed long-term care facility, as defined in  
2 the Nursing Home Care Act, or in a licensed facility as defined  
3 in the MR/DD Community Care Act.

4 (14) Semen used for artificial insemination of livestock  
5 for direct agricultural production.

6 (15) Horses, or interests in horses, registered with and  
7 meeting the requirements of any of the Arabian Horse Club  
8 Registry of America, Appaloosa Horse Club, American Quarter  
9 Horse Association, United States Trotting Association, or  
10 Jockey Club, as appropriate, used for purposes of breeding or  
11 racing for prizes. This item (15) is exempt from the provisions  
12 of Section 3-55, and the exemption provided for under this item  
13 (15) applies for all periods beginning May 30, 1995, but no  
14 claim for credit or refund is allowed on or after January 1,  
15 2008 (the effective date of Public Act 95-88) for such taxes  
16 paid during the period beginning May 30, 2000 and ending on  
17 January 1, 2008 (the effective date of Public Act 95-88).

18 (16) Computers and communications equipment utilized for  
19 any hospital purpose and equipment used in the diagnosis,  
20 analysis, or treatment of hospital patients sold to a lessor  
21 who leases the equipment, under a lease of one year or longer  
22 executed or in effect at the time of the purchase, to a  
23 hospital that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of the  
25 Retailers' Occupation Tax Act.

26 (17) Personal property sold to a lessor who leases the

1 property, under a lease of one year or longer executed or in  
2 effect at the time of the purchase, to a governmental body that  
3 has been issued an active tax exemption identification number  
4 by the Department under Section 1g of the Retailers' Occupation  
5 Tax Act.

6 (18) Beginning with taxable years ending on or after  
7 December 31, 1995 and ending with taxable years ending on or  
8 before December 31, 2004, personal property that is donated for  
9 disaster relief to be used in a State or federally declared  
10 disaster area in Illinois or bordering Illinois by a  
11 manufacturer or retailer that is registered in this State to a  
12 corporation, society, association, foundation, or institution  
13 that has been issued a sales tax exemption identification  
14 number by the Department that assists victims of the disaster  
15 who reside within the declared disaster area.

16 (19) Beginning with taxable years ending on or after  
17 December 31, 1995 and ending with taxable years ending on or  
18 before December 31, 2004, personal property that is used in the  
19 performance of infrastructure repairs in this State, including  
20 but not limited to municipal roads and streets, access roads,  
21 bridges, sidewalks, waste disposal systems, water and sewer  
22 line extensions, water distribution and purification  
23 facilities, storm water drainage and retention facilities, and  
24 sewage treatment facilities, resulting from a State or  
25 federally declared disaster in Illinois or bordering Illinois  
26 when such repairs are initiated on facilities located in the

1 declared disaster area within 6 months after the disaster.

2 (20) Beginning July 1, 1999, game or game birds sold at a  
3 "game breeding and hunting preserve area" or an "exotic game  
4 hunting area" as those terms are used in the Wildlife Code or  
5 at a hunting enclosure approved through rules adopted by the  
6 Department of Natural Resources. This paragraph is exempt from  
7 the provisions of Section 3-55.

8 (21) A motor vehicle, as that term is defined in Section  
9 1-146 of the Illinois Vehicle Code, that is donated to a  
10 corporation, limited liability company, society, association,  
11 foundation, or institution that is determined by the Department  
12 to be organized and operated exclusively for educational  
13 purposes. For purposes of this exemption, "a corporation,  
14 limited liability company, society, association, foundation,  
15 or institution organized and operated exclusively for  
16 educational purposes" means all tax-supported public schools,  
17 private schools that offer systematic instruction in useful  
18 branches of learning by methods common to public schools and  
19 that compare favorably in their scope and intensity with the  
20 course of study presented in tax-supported schools, and  
21 vocational or technical schools or institutes organized and  
22 operated exclusively to provide a course of study of not less  
23 than 6 weeks duration and designed to prepare individuals to  
24 follow a trade or to pursue a manual, technical, mechanical,  
25 industrial, business, or commercial occupation.

26 (22) Beginning January 1, 2000, personal property,

1 including food, purchased through fundraising events for the  
2 benefit of a public or private elementary or secondary school,  
3 a group of those schools, or one or more school districts if  
4 the events are sponsored by an entity recognized by the school  
5 district that consists primarily of volunteers and includes  
6 parents and teachers of the school children. This paragraph  
7 does not apply to fundraising events (i) for the benefit of  
8 private home instruction or (ii) for which the fundraising  
9 entity purchases the personal property sold at the events from  
10 another individual or entity that sold the property for the  
11 purpose of resale by the fundraising entity and that profits  
12 from the sale to the fundraising entity. This paragraph is  
13 exempt from the provisions of Section 3-55.

14 (23) Beginning January 1, 2000 and through December 31,  
15 2001, new or used automatic vending machines that prepare and  
16 serve hot food and beverages, including coffee, soup, and other  
17 items, and replacement parts for these machines. Beginning  
18 January 1, 2002 and through June 30, 2003, machines and parts  
19 for machines used in commercial, coin-operated amusement and  
20 vending business if a use or occupation tax is paid on the  
21 gross receipts derived from the use of the commercial,  
22 coin-operated amusement and vending machines. This paragraph  
23 is exempt from the provisions of Section 3-55.

24 (24) Beginning on the effective date of this amendatory Act  
25 of the 92nd General Assembly, computers and communications  
26 equipment utilized for any hospital purpose and equipment used

1 in the diagnosis, analysis, or treatment of hospital patients  
2 sold to a lessor who leases the equipment, under a lease of one  
3 year or longer executed or in effect at the time of the  
4 purchase, to a hospital that has been issued an active tax  
5 exemption identification number by the Department under  
6 Section 1g of the Retailers' Occupation Tax Act. This paragraph  
7 is exempt from the provisions of Section 3-55.

8 (25) Beginning on the effective date of this amendatory Act  
9 of the 92nd General Assembly, personal property sold to a  
10 lessor who leases the property, under a lease of one year or  
11 longer executed or in effect at the time of the purchase, to a  
12 governmental body that has been issued an active tax exemption  
13 identification number by the Department under Section 1g of the  
14 Retailers' Occupation Tax Act. This paragraph is exempt from  
15 the provisions of Section 3-55.

16 (26) Beginning on January 1, 2002 and through June 30,  
17 2011, tangible personal property purchased from an Illinois  
18 retailer by a taxpayer engaged in centralized purchasing  
19 activities in Illinois who will, upon receipt of the property  
20 in Illinois, temporarily store the property in Illinois (i) for  
21 the purpose of subsequently transporting it outside this State  
22 for use or consumption thereafter solely outside this State or  
23 (ii) for the purpose of being processed, fabricated, or  
24 manufactured into, attached to, or incorporated into other  
25 tangible personal property to be transported outside this State  
26 and thereafter used or consumed solely outside this State. The

1 Director of Revenue shall, pursuant to rules adopted in  
2 accordance with the Illinois Administrative Procedure Act,  
3 issue a permit to any taxpayer in good standing with the  
4 Department who is eligible for the exemption under this  
5 paragraph (26). The permit issued under this paragraph (26)  
6 shall authorize the holder, to the extent and in the manner  
7 specified in the rules adopted under this Act, to purchase  
8 tangible personal property from a retailer exempt from the  
9 taxes imposed by this Act. Taxpayers shall maintain all  
10 necessary books and records to substantiate the use and  
11 consumption of all such tangible personal property outside of  
12 the State of Illinois.

13 (27) Beginning January 1, 2008, tangible personal property  
14 used in the construction or maintenance of a community water  
15 supply, as defined under Section 3.145 of the Environmental  
16 Protection Act, that is operated by a not-for-profit  
17 corporation that holds a valid water supply permit issued under  
18 Title IV of the Environmental Protection Act. This paragraph is  
19 exempt from the provisions of Section 3-55.

20 (28) Tangible personal property sold to a  
21 public-facilities corporation, as described in Section  
22 11-65-10 of the Illinois Municipal Code, for purposes of  
23 constructing or furnishing a municipal convention hall, but  
24 only if the legal title to the municipal convention hall is  
25 transferred to the municipality without any further  
26 consideration by or on behalf of the municipality at the time

1 of the completion of the municipal convention hall or upon the  
2 retirement or redemption of any bonds or other debt instruments  
3 issued by the public-facilities corporation in connection with  
4 the development of the municipal convention hall. This  
5 exemption includes existing public-facilities corporations as  
6 provided in Section 11-65-25 of the Illinois Municipal Code.  
7 This paragraph is exempt from the provisions of Section 3-55.

8 (29) Beginning January 1, 2010, materials, parts,  
9 equipment, components, and furnishings incorporated into or  
10 upon an aircraft as part of the modification, refurbishment,  
11 completion, replacement, repair, or maintenance of the  
12 aircraft. This exemption includes consumable supplies used in  
13 the modification, refurbishment, completion, replacement,  
14 repair, and maintenance of aircraft, but excludes any  
15 materials, parts, equipment, components, and consumable  
16 supplies used in the modification, replacement, repair, and  
17 maintenance of aircraft engines or power plants, whether such  
18 engines or power plants are installed or uninstalled upon any  
19 such aircraft. "Consumable supplies" include, but are not  
20 limited to, adhesive, tape, sandpaper, general purpose  
21 lubricants, cleaning solution, latex gloves, and protective  
22 films. This exemption applies only to those organizations that  
23 (i) hold an Air Agency Certificate and are empowered to operate  
24 an approved repair station by the Federal Aviation  
25 Administration, (ii) have a Class IV Rating, and (iii) conduct  
26 operations in accordance with Part 145 of the Federal Aviation

1 Regulations. The exemption does not include aircraft operated  
2 by a commercial air carrier providing scheduled passenger air  
3 service pursuant to authority issued under Part 121 or Part 129  
4 of the Federal Aviation Regulations.

5 (30) Tangible personal property purchased from a business  
6 located in a business corridor established under Section  
7 11-74.7-1 of the Illinois Municipal Code. This exemption  
8 applies beginning on the first day of the first month to occur  
9 not less than 30 days after the business corridor is  
10 established and continues through December 31 of the fifth  
11 calendar year after the business corridor is established. This  
12 paragraph is exempt from the provisions of Section 3-55.

13 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
14 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
15 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
16 7-2-10.)

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

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

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

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

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

26 With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply  
2 to the selling price of property transferred as an incident to  
3 the sale of service on or after July 1, 2003 and on or before  
4 December 31, 2013 but applies to 100% of the selling price  
5 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 selling price  
9 of property transferred as an incident to the sale of service  
10 on or after July 1, 2003 and on or before December 31, 2013 and  
11 (ii) 100% of the proceeds of the selling price thereafter. If,  
12 at any time, however, the tax under this Act on sales of  
13 biodiesel blends, as defined in the Use Tax Act, with no less  
14 than 1% and no more than 10% biodiesel is imposed at the rate  
15 of 1.25%, then the tax imposed by this Act applies to 100% of  
16 the proceeds of sales of biodiesel blends with no less than 1%  
17 and no more than 10% biodiesel made during that time.

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

26 At the election of any registered serviceman made for each

1 fiscal year, sales of service in which the aggregate annual  
2 cost price of tangible personal property transferred as an  
3 incident to the sales of service is less than 35%, or 75% in  
4 the case of servicemen transferring prescription drugs or  
5 servicemen engaged in graphic arts production, of the aggregate  
6 annual total gross receipts from all sales of service, the tax  
7 imposed by this Act shall be based on the serviceman's cost  
8 price of the tangible personal property transferred incident to  
9 the sale of those services.

10 The tax shall be imposed at the rate of 1% on food prepared  
11 for immediate consumption and transferred incident to a sale of  
12 service subject to this Act or the Service Occupation Tax Act  
13 by an entity licensed under the Hospital Licensing Act, the  
14 Nursing Home Care Act, the MR/DD Community Care Act, or the  
15 Child Care Act of 1969. The tax shall also be imposed at the  
16 rate of 1% on food for human consumption that is to be consumed  
17 off the premises where it is sold (other than alcoholic  
18 beverages, soft drinks, and food that has been prepared for  
19 immediate consumption and is not otherwise included in this  
20 paragraph) and prescription and nonprescription medicines,  
21 drugs, medical appliances, modifications to a motor vehicle for  
22 the purpose of rendering it usable by a disabled person, and  
23 insulin, urine testing materials, syringes, and needles used by  
24 diabetics, for human use. For the purposes of this Section,  
25 until September 1, 2009: the term "soft drinks" means any  
26 complete, finished, ready-to-use, non-alcoholic drink, whether

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

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

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

1 regardless of the location of the vending machine.

2 Notwithstanding any other provisions of this Act,  
3 beginning September 1, 2009, "food for human consumption that  
4 is to be consumed off the premises where it is sold" does not  
5 include candy. For purposes of this Section, "candy" means a  
6 preparation of sugar, honey, or other natural or artificial  
7 sweeteners in combination with chocolate, fruits, nuts or other  
8 ingredients or flavorings in the form of bars, drops, or  
9 pieces. "Candy" does not include any preparation that contains  
10 flour or requires refrigeration.

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

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

25 (B) A statement of the "active ingredient(s)" with a  
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 With respect to tangible personal property purchased from a  
3 retailer located in a business corridor established under  
4 Section 11-74.7-1 of the Illinois Municipal Code (other than  
5 food for human consumption that is to be consumed off the  
6 premises where it is sold and nonprescription medicines and  
7 drugs), during the sixth calendar year after the business  
8 corridor is established, the tax imposed by this Act is at the  
9 rate of 3% of either the selling price or the fair market  
10 value, if any, of the tangible personal property.

11 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
12 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10.)

13 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

24 Where such tangible personal property is sold under a  
25 conditional sales contract, or under any other form of sale

1 wherein the payment of the principal sum, or a part thereof, is  
2 extended beyond the close of the period for which the return is  
3 filed, the serviceman, in collecting the tax may collect, for  
4 each tax return period, only the tax applicable to the part of  
5 the selling price actually received during such tax return  
6 period.

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

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

- 21 1. The name of the seller;
- 22 2. The address of the principal place of business from  
23 which he engages in business as a serviceman in this State;
- 24 3. The total amount of taxable receipts received by him  
25 during the preceding calendar month, including receipts  
26 from charge and time sales, but less all deductions allowed

1 by law;

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

4 5. The amount of tax due;

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

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

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

12 Prior to October 1, 2003, and on and after September 1,  
13 2004 a serviceman may accept a Manufacturer's Purchase Credit  
14 certification from a purchaser in satisfaction of Service Use  
15 Tax as provided in Section 3-70 of the Service Use Tax Act if  
16 the purchaser provides the appropriate documentation as  
17 required by Section 3-70 of the Service Use Tax Act. A  
18 Manufacturer's Purchase Credit certification, accepted prior  
19 to October 1, 2003 or on or after September 1, 2004 by a  
20 serviceman as provided in Section 3-70 of the Service Use Tax  
21 Act, may be used by that serviceman to satisfy Service  
22 Occupation Tax liability in the amount claimed in the  
23 certification, not to exceed 6.25% of the receipts subject to  
24 tax from a qualifying purchase. A Manufacturer's Purchase  
25 Credit reported on any original or amended return filed under  
26 this Act after October 20, 2003 for reporting periods prior to

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

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

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

21 Such quarter annual and annual returns, as to form and  
22 substance, shall be subject to the same requirements as monthly  
23 returns.

24 Notwithstanding any other provision in this Act concerning  
25 the time within which a serviceman may file his return, in the  
26 case of any serviceman who ceases to engage in a kind of

1 business which makes him responsible for filing returns under  
2 this Act, such serviceman shall file a final return under this  
3 Act with the Department not more than 1 month after  
4 discontinuing such business.

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

1 Section 2505-210 of the Department of Revenue Law shall make  
2 all payments required by rules of the Department by electronic  
3 funds transfer.

4 Before August 1 of each year beginning in 1993, the  
5 Department shall notify all taxpayers required to make payments  
6 by electronic funds transfer. All taxpayers required to make  
7 payments by electronic funds transfer shall make those payments  
8 for a minimum of one year beginning on October 1.

9 Any taxpayer not required to make payments by electronic  
10 funds transfer may make payments by electronic funds transfer  
11 with the permission of the Department.

12 All taxpayers required to make payment by electronic funds  
13 transfer and any taxpayers authorized to voluntarily make  
14 payments by electronic funds transfer shall make those payments  
15 in the manner authorized by the Department.

16 The Department shall adopt such rules as are necessary to  
17 effectuate a program of electronic funds transfer and the  
18 requirements of this Section.

19 Where a serviceman collects the tax with respect to the  
20 selling price of tangible personal property which he sells and  
21 the purchaser thereafter returns such tangible personal  
22 property and the serviceman refunds the selling price thereof  
23 to the purchaser, such serviceman shall also refund, to the  
24 purchaser, the tax so collected from the purchaser. When filing  
25 his return for the period in which he refunds such tax to the  
26 purchaser, the serviceman may deduct the amount of the tax so

1 refunded by him to the purchaser from any other Service  
2 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
3 Use Tax which such serviceman may be required to pay or remit  
4 to the Department, as shown by such return, provided that the  
5 amount of the tax to be deducted shall previously have been  
6 remitted to the Department by such serviceman. If the  
7 serviceman shall not previously have remitted the amount of  
8 such tax to the Department, he shall be entitled to no  
9 deduction hereunder upon refunding such tax to the purchaser.

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

17 Where the serviceman has more than one business registered  
18 with the Department under separate registrations hereunder,  
19 such serviceman shall file separate returns for each registered  
20 business.

21 Notwithstanding any other provision of law, each month the  
22 Department shall remit 100% of the proceeds of the tax imposed  
23 at the rate of 3% on tangible personal property purchased from  
24 a business located in a business corridor during the sixth  
25 calendar year after the business corridor is established to the  
26 municipalities that created the business corridor, in

1 accordance with the intergovernmental agreement creating the  
2 corridor.

3       Beginning January 1, 1990, each month the Department shall  
4 pay into the Local Government Tax Fund the revenue realized for  
5 the preceding month from the 1% tax on sales of food for human  
6 consumption which is to be consumed off the premises where it  
7 is sold (other than alcoholic beverages, soft drinks and food  
8 which has been prepared for immediate consumption) and  
9 prescription and nonprescription medicines, drugs, medical  
10 appliances and insulin, urine testing materials, syringes and  
11 needles used by diabetics.

12       Beginning January 1, 1990, each month the Department shall  
13 pay into the County and Mass Transit District Fund 4% of the  
14 revenue realized for the preceding month from the 6.25% general  
15 rate.

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

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

24       Beginning August 1, 2000, each month the Department shall  
25 pay into the Local Government Tax Fund 80% of the net revenue  
26 realized for the preceding month from the 1.25% rate on the

1 selling price of motor fuel and gasohol.

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

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

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

1 thereto, all as certified by the Director of the Bureau of the  
2 Budget (now Governor's Office of Management and Budget). If on  
3 the last business day of any month in which Bonds are  
4 outstanding pursuant to the Build Illinois Bond Act, the  
5 aggregate of the moneys deposited in the Build Illinois Bond  
6 Account in the Build Illinois Fund in such month shall be less  
7 than the amount required to be transferred in such month from  
8 the Build Illinois Bond Account to the Build Illinois Bond  
9 Retirement and Interest Fund pursuant to Section 13 of the  
10 Build Illinois Bond Act, an amount equal to such deficiency  
11 shall be immediately paid from other moneys received by the  
12 Department pursuant to the Tax Acts to the Build Illinois Fund;  
13 provided, however, that any amounts paid to the Build Illinois  
14 Fund in any fiscal year pursuant to this sentence shall be  
15 deemed to constitute payments pursuant to clause (b) of the  
16 preceding sentence and shall reduce the amount otherwise  
17 payable for such fiscal year pursuant to clause (b) of the  
18 preceding sentence. The moneys received by the Department  
19 pursuant to this Act and required to be deposited into the  
20 Build Illinois Fund are subject to the pledge, claim and charge  
21 set forth in Section 12 of the Build Illinois Bond Act.

22 Subject to payment of amounts into the Build Illinois Fund  
23 as provided in the preceding paragraph or in any amendment  
24 thereto hereafter enacted, the following specified monthly  
25 installment of the amount requested in the certificate of the  
26 Chairman of the Metropolitan Pier and Exposition Authority

1 provided under Section 8.25f of the State Finance Act, but not  
 2 in excess of the sums designated as "Total Deposit", shall be  
 3 deposited in the aggregate from collections under Section 9 of  
 4 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 5 9 of the Service Occupation Tax Act, and Section 3 of the  
 6 Retailers' Occupation Tax Act into the McCormick Place  
 7 Expansion Project Fund in the specified fiscal years.

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

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	246,000,000
13	2022	260,000,000
14	2023	275,000,000
15	2024	275,000,000
16	2025	275,000,000
17	2026	279,000,000
18	2027	292,000,000
19	2028	307,000,000
20	2029	322,000,000
21	2030	338,000,000
22	2031	350,000,000
23	2032	350,000,000
24	and	
25	each fiscal year	
26	thereafter that bonds	

1           are outstanding under  
2           Section 13.2 of the  
3           Metropolitan Pier and  
4           Exposition Authority Act,  
5       but not after fiscal year 2060.

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

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

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

14           Remaining moneys received by the Department pursuant to  
15 this Act shall be paid into the General Revenue Fund of the  
16 State Treasury.

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

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

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

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

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

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

9           The foregoing portion of this Section concerning the filing  
10 of an annual information return shall not apply to a serviceman  
11 who is not required to file an income tax return with the  
12 United States Government.

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

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

24           For greater simplicity of administration, it shall be  
25 permissible for manufacturers, importers and wholesalers whose  
26 products are sold by numerous servicemen in Illinois, and who

1 wish to do so, to assume the responsibility for accounting and  
2 paying to the Department all tax accruing under this Act with  
3 respect to such sales, if the servicemen who are affected do  
4 not make written objection to the Department to this  
5 arrangement.

6 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,  
7 eff. 5-27-10.)

8 Section 20. The Retailers' Occupation Tax Act is amended by  
9 changing Sections 2-5, 2-10, and 3 as follows:

10 (35 ILCS 120/2-5)

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

14 (1) Farm chemicals.

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

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

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

18 Farm machinery and equipment also includes computers,  
19 sensors, software, and related equipment used primarily in the  
20 computer-assisted operation of production agriculture  
21 facilities, equipment, and activities such as, but not limited  
22 to, the collection, monitoring, and correlation of animal and  
23 crop data for the purpose of formulating animal diets and  
24 agricultural chemicals. This item (7) is exempt from the  
25 provisions of Section 2-70.

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

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

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

15 (5) A motor vehicle of the first division, a motor vehicle  
16 of the second division that is a self contained motor vehicle  
17 designed or permanently converted to provide living quarters  
18 for recreational, camping, or travel use, with direct walk  
19 through access to the living quarters from the driver's seat,  
20 or a motor vehicle of the second division that is of the van  
21 configuration designed for the transportation of not less than  
22 7 nor more than 16 passengers, as defined in Section 1-146 of  
23 the Illinois Vehicle Code, that is used for automobile renting,  
24 as defined in the Automobile Renting Occupation and Use Tax  
25 Act. This paragraph is exempt from the provisions of Section  
26 2-70.

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

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

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

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

25          (10) Personal property sold by a corporation, society,  
26 association, foundation, institution, or organization, other

1 than a limited liability company, that is organized and  
2 operated as a not-for-profit service enterprise for the benefit  
3 of persons 65 years of age or older if the personal property  
4 was not purchased by the enterprise for the purpose of resale  
5 by the enterprise.

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

20 (12) Tangible personal property sold to interstate  
21 carriers for hire for use as rolling stock moving in interstate  
22 commerce or to lessors under leases of one year or longer  
23 executed or in effect at the time of purchase by interstate  
24 carriers for hire for use as rolling stock moving in interstate  
25 commerce and equipment operated by a telecommunications  
26 provider, licensed as a common carrier by the Federal

1 Communications Commission, which is permanently installed in  
2 or affixed to aircraft moving in interstate commerce.

3 (12-5) On and after July 1, 2003 and through June 30, 2004,  
4 motor vehicles of the second division with a gross vehicle  
5 weight in excess of 8,000 pounds that are subject to the  
6 commercial distribution fee imposed under Section 3-815.1 of  
7 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
8 through June 30, 2005, the use in this State of motor vehicles  
9 of the second division: (i) with a gross vehicle weight rating  
10 in excess of 8,000 pounds; (ii) that are subject to the  
11 commercial distribution fee imposed under Section 3-815.1 of  
12 the Illinois Vehicle Code; and (iii) that are primarily used  
13 for commercial purposes. Through June 30, 2005, this exemption  
14 applies to repair and replacement parts added after the initial  
15 purchase of such a motor vehicle if that motor vehicle is used  
16 in a manner that would qualify for the rolling stock exemption  
17 otherwise provided for in this Act. For purposes of this  
18 paragraph, "used for commercial purposes" means the  
19 transportation of persons or property in furtherance of any  
20 commercial or industrial enterprise whether for-hire or not.

21 (13) Proceeds from sales to owners, lessors, or shippers of  
22 tangible personal property that is utilized by interstate  
23 carriers for hire for use as rolling stock moving in interstate  
24 commerce and equipment operated by a telecommunications  
25 provider, licensed as a common carrier by the Federal  
26 Communications Commission, which is permanently installed in

1 or affixed to aircraft moving in interstate commerce.

2 (14) Machinery and equipment that will be used by the  
3 purchaser, or a lessee of the purchaser, primarily in the  
4 process of manufacturing or assembling tangible personal  
5 property for wholesale or retail sale or lease, whether the  
6 sale or lease is made directly by the manufacturer or by some  
7 other person, whether the materials used in the process are  
8 owned by the manufacturer or some other person, or whether the  
9 sale or lease is made apart from or as an incident to the  
10 seller's engaging in the service occupation of producing  
11 machines, tools, dies, jigs, patterns, gauges, or other similar  
12 items of no commercial value on special order for a particular  
13 purchaser.

14 (15) Proceeds of mandatory service charges separately  
15 stated on customers' bills for purchase and consumption of food  
16 and beverages, to the extent that the proceeds of the service  
17 charge are in fact turned over as tips or as a substitute for  
18 tips to the employees who participate directly in preparing,  
19 serving, hosting or cleaning up the food or beverage function  
20 with respect to which the service charge is imposed.

21 (16) Petroleum products sold to a purchaser if the seller  
22 is prohibited by federal law from charging tax to the  
23 purchaser.

24 (17) Tangible personal property sold to a common carrier by  
25 rail or motor that receives the physical possession of the  
26 property in Illinois and that transports the property, or

1 shares with another common carrier in the transportation of the  
2 property, out of Illinois on a standard uniform bill of lading  
3 showing the seller of the property as the shipper or consignor  
4 of the property to a destination outside Illinois, for use  
5 outside Illinois.

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

10 (19) Until July 1 2003, oil field exploration, drilling,  
11 and production equipment, including (i) rigs and parts of rigs,  
12 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
13 tubular goods, including casing and drill strings, (iii) pumps  
14 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
15 individual replacement part for oil field exploration,  
16 drilling, and production equipment, and (vi) machinery and  
17 equipment purchased for lease; but excluding motor vehicles  
18 required to be registered under the Illinois Vehicle Code.

19 (20) Photoprocessing machinery and equipment, including  
20 repair and replacement parts, both new and used, including that  
21 manufactured on special order, certified by the purchaser to be  
22 used primarily for photoprocessing, and including  
23 photoprocessing machinery and equipment purchased for lease.

24 (21) Until July 1, 2003, coal exploration, mining,  
25 offhighway hauling, processing, maintenance, and reclamation  
26 equipment, including replacement parts and equipment, and

1 including equipment purchased for lease, but excluding motor  
2 vehicles required to be registered under the Illinois Vehicle  
3 Code.

4 (22) Fuel and petroleum products sold to or used by an air  
5 carrier, certified by the carrier to be used for consumption,  
6 shipment, or storage in the conduct of its business as an air  
7 common carrier, for a flight destined for or returning from a  
8 location or locations outside the United States without regard  
9 to previous or subsequent domestic stopovers.

10 (23) A transaction in which the purchase order is received  
11 by a florist who is located outside Illinois, but who has a  
12 florist located in Illinois deliver the property to the  
13 purchaser or the purchaser's donee in Illinois.

14 (24) Fuel consumed or used in the operation of ships,  
15 barges, or vessels that are used primarily in or for the  
16 transportation of property or the conveyance of persons for  
17 hire on rivers bordering on this State if the fuel is delivered  
18 by the seller to the purchaser's barge, ship, or vessel while  
19 it is afloat upon that bordering river.

20 (25) Except as provided in item (25-5) of this Section, a  
21 motor vehicle sold in this State to a nonresident even though  
22 the motor vehicle is delivered to the nonresident in this  
23 State, if the motor vehicle is not to be titled in this State,  
24 and if a drive-away permit is issued to the motor vehicle as  
25 provided in Section 3-603 of the Illinois Vehicle Code or if  
26 the nonresident purchaser has vehicle registration plates to

1 transfer to the motor vehicle upon returning to his or her home  
2 state. The issuance of the drive-away permit or having the  
3 out-of-state registration plates to be transferred is prima  
4 facie evidence that the motor vehicle will not be titled in  
5 this State.

6 (25-5) The exemption under item (25) does not apply if the  
7 state in which the motor vehicle will be titled does not allow  
8 a reciprocal exemption for a motor vehicle sold and delivered  
9 in that state to an Illinois resident but titled in Illinois.  
10 The tax collected under this Act on the sale of a motor vehicle  
11 in this State to a resident of another state that does not  
12 allow a reciprocal exemption shall be imposed at a rate equal  
13 to the state's rate of tax on taxable property in the state in  
14 which the purchaser is a resident, except that the tax shall  
15 not exceed the tax that would otherwise be imposed under this  
16 Act. At the time of the sale, the purchaser shall execute a  
17 statement, signed under penalty of perjury, of his or her  
18 intent to title the vehicle in the state in which the purchaser  
19 is a resident within 30 days after the sale and of the fact of  
20 the payment to the State of Illinois of tax in an amount  
21 equivalent to the state's rate of tax on taxable property in  
22 his or her state of residence and shall submit the statement to  
23 the appropriate tax collection agency in his or her state of  
24 residence. In addition, the retailer must retain a signed copy  
25 of the statement in his or her records. Nothing in this item  
26 shall be construed to require the removal of the vehicle from

1 this state following the filing of an intent to title the  
2 vehicle in the purchaser's state of residence if the purchaser  
3 titles the vehicle in his or her state of residence within 30  
4 days after the date of sale. The tax collected under this Act  
5 in accordance with this item (25-5) shall be proportionately  
6 distributed as if the tax were collected at the 6.25% general  
7 rate imposed under this Act.

8 (25-7) Beginning on July 1, 2007, no tax is imposed under  
9 this Act on the sale of an aircraft, as defined in Section 3 of  
10 the Illinois Aeronautics Act, if all of the following  
11 conditions are met:

12 (1) the aircraft leaves this State within 15 days after  
13 the later of either the issuance of the final billing for  
14 the sale of the aircraft, or the authorized approval for  
15 return to service, completion of the maintenance record  
16 entry, and completion of the test flight and ground test  
17 for inspection, as required by 14 C.F.R. 91.407;

18 (2) the aircraft is not based or registered in this  
19 State after the sale of the aircraft; and

20 (3) the seller retains in his or her books and records  
21 and provides to the Department a signed and dated  
22 certification from the purchaser, on a form prescribed by  
23 the Department, certifying that the requirements of this  
24 item (25-7) are met. The certificate must also include the  
25 name and address of the purchaser, the address of the  
26 location where the aircraft is to be titled or registered,

1 the address of the primary physical location of the  
2 aircraft, and other information that the Department may  
3 reasonably require.

4 For purposes of this item (25-7):

5 "Based in this State" means hangared, stored, or otherwise  
6 used, excluding post-sale customizations as defined in this  
7 Section, for 10 or more days in each 12-month period  
8 immediately following the date of the sale of the aircraft.

9 "Registered in this State" means an aircraft registered  
10 with the Department of Transportation, Aeronautics Division,  
11 or titled or registered with the Federal Aviation  
12 Administration to an address located in this State.

13 This paragraph (25-7) is exempt from the provisions of  
14 Section 2-70.

15 (26) Semen used for artificial insemination of livestock  
16 for direct agricultural production.

17 (27) Horses, or interests in horses, registered with and  
18 meeting the requirements of any of the Arabian Horse Club  
19 Registry of America, Appaloosa Horse Club, American Quarter  
20 Horse Association, United States Trotting Association, or  
21 Jockey Club, as appropriate, used for purposes of breeding or  
22 racing for prizes. This item (27) is exempt from the provisions  
23 of Section 2-70, and the exemption provided for under this item  
24 (27) applies for all periods beginning May 30, 1995, but no  
25 claim for credit or refund is allowed on or after January 1,  
26 2008 (the effective date of Public Act 95-88) for such taxes

1 paid during the period beginning May 30, 2000 and ending on  
2 January 1, 2008 (the effective date of Public Act 95-88).

3 (28) Computers and communications equipment utilized for  
4 any hospital purpose and equipment used in the diagnosis,  
5 analysis, or treatment of hospital patients sold to a lessor  
6 who leases the equipment, under a lease of one year or longer  
7 executed or in effect at the time of the purchase, to a  
8 hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of  
10 this Act.

11 (29) Personal property sold to a lessor who leases the  
12 property, under a lease of one year or longer executed or in  
13 effect at the time of the purchase, to a governmental body that  
14 has been issued an active tax exemption identification number  
15 by the Department under Section 1g of this Act.

16 (30) Beginning with taxable years ending on or after  
17 December 31, 1995 and ending with taxable years ending on or  
18 before December 31, 2004, personal property that is donated for  
19 disaster relief to be used in a State or federally declared  
20 disaster area in Illinois or bordering Illinois by a  
21 manufacturer or retailer that is registered in this State to a  
22 corporation, society, association, foundation, or institution  
23 that has been issued a sales tax exemption identification  
24 number by the Department that assists victims of the disaster  
25 who reside within the declared disaster area.

26 (31) Beginning with taxable years ending on or after

1 December 31, 1995 and ending with taxable years ending on or  
2 before December 31, 2004, personal property that is used in the  
3 performance of infrastructure repairs in this State, including  
4 but not limited to municipal roads and streets, access roads,  
5 bridges, sidewalks, waste disposal systems, water and sewer  
6 line extensions, water distribution and purification  
7 facilities, storm water drainage and retention facilities, and  
8 sewage treatment facilities, resulting from a State or  
9 federally declared disaster in Illinois or bordering Illinois  
10 when such repairs are initiated on facilities located in the  
11 declared disaster area within 6 months after the disaster.

12 (32) Beginning July 1, 1999, game or game birds sold at a  
13 "game breeding and hunting preserve area" or an "exotic game  
14 hunting area" as those terms are used in the Wildlife Code or  
15 at a hunting enclosure approved through rules adopted by the  
16 Department of Natural Resources. This paragraph is exempt from  
17 the provisions of Section 2-70.

18 (33) A motor vehicle, as that term is defined in Section  
19 1-146 of the Illinois Vehicle Code, that is donated to a  
20 corporation, limited liability company, society, association,  
21 foundation, or institution that is determined by the Department  
22 to be organized and operated exclusively for educational  
23 purposes. For purposes of this exemption, "a corporation,  
24 limited liability company, society, association, foundation,  
25 or institution organized and operated exclusively for  
26 educational purposes" means all tax-supported public schools,

1 private schools that offer systematic instruction in useful  
2 branches of learning by methods common to public schools and  
3 that compare favorably in their scope and intensity with the  
4 course of study presented in tax-supported schools, and  
5 vocational or technical schools or institutes organized and  
6 operated exclusively to provide a course of study of not less  
7 than 6 weeks duration and designed to prepare individuals to  
8 follow a trade or to pursue a manual, technical, mechanical,  
9 industrial, business, or commercial occupation.

10 (34) Beginning January 1, 2000, personal property,  
11 including food, purchased through fundraising events for the  
12 benefit of a public or private elementary or secondary school,  
13 a group of those schools, or one or more school districts if  
14 the events are sponsored by an entity recognized by the school  
15 district that consists primarily of volunteers and includes  
16 parents and teachers of the school children. This paragraph  
17 does not apply to fundraising events (i) for the benefit of  
18 private home instruction or (ii) for which the fundraising  
19 entity purchases the personal property sold at the events from  
20 another individual or entity that sold the property for the  
21 purpose of resale by the fundraising entity and that profits  
22 from the sale to the fundraising entity. This paragraph is  
23 exempt from the provisions of Section 2-70.

24 (35) Beginning January 1, 2000 and through December 31,  
25 2001, new or used automatic vending machines that prepare and  
26 serve hot food and beverages, including coffee, soup, and other

1 items, and replacement parts for these machines. Beginning  
2 January 1, 2002 and through June 30, 2003, machines and parts  
3 for machines used in commercial, coin-operated amusement and  
4 vending business if a use or occupation tax is paid on the  
5 gross receipts derived from the use of the commercial,  
6 coin-operated amusement and vending machines. This paragraph  
7 is exempt from the provisions of Section 2-70.

8 (35-5) Beginning August 23, 2001 and through June 30, 2011,  
9 food for human consumption that is to be consumed off the  
10 premises where it is sold (other than alcoholic beverages, soft  
11 drinks, and food that has been prepared for immediate  
12 consumption) and prescription and nonprescription medicines,  
13 drugs, medical appliances, and insulin, urine testing  
14 materials, syringes, and needles used by diabetics, for human  
15 use, when purchased for use by a person receiving medical  
16 assistance under Article V of the Illinois Public Aid Code who  
17 resides in a licensed long-term care facility, as defined in  
18 the Nursing Home Care Act, or a licensed facility as defined in  
19 the MR/DD Community Care Act.

20 (36) Beginning August 2, 2001, computers and  
21 communications equipment utilized for any hospital purpose and  
22 equipment used in the diagnosis, analysis, or treatment of  
23 hospital patients sold to a lessor who leases the equipment,  
24 under a lease of one year or longer executed or in effect at  
25 the time of the purchase, to a hospital that has been issued an  
26 active tax exemption identification number by the Department

1 under Section 1g of this Act. This paragraph is exempt from the  
2 provisions of Section 2-70.

3 (37) Beginning August 2, 2001, personal property sold to a  
4 lessor who leases the property, under a lease of one year or  
5 longer executed or in effect at the time of the purchase, to a  
6 governmental body that has been issued an active tax exemption  
7 identification number by the Department under Section 1g of  
8 this Act. This paragraph is exempt from the provisions of  
9 Section 2-70.

10 (38) Beginning on January 1, 2002 and through June 30,  
11 2011, tangible personal property purchased from an Illinois  
12 retailer by a taxpayer engaged in centralized purchasing  
13 activities in Illinois who will, upon receipt of the property  
14 in Illinois, temporarily store the property in Illinois (i) for  
15 the purpose of subsequently transporting it outside this State  
16 for use or consumption thereafter solely outside this State or  
17 (ii) for the purpose of being processed, fabricated, or  
18 manufactured into, attached to, or incorporated into other  
19 tangible personal property to be transported outside this State  
20 and thereafter used or consumed solely outside this State. The  
21 Director of Revenue shall, pursuant to rules adopted in  
22 accordance with the Illinois Administrative Procedure Act,  
23 issue a permit to any taxpayer in good standing with the  
24 Department who is eligible for the exemption under this  
25 paragraph (38). The permit issued under this paragraph (38)  
26 shall authorize the holder, to the extent and in the manner

1 specified in the rules adopted under this Act, to purchase  
2 tangible personal property from a retailer exempt from the  
3 taxes imposed by this Act. Taxpayers shall maintain all  
4 necessary books and records to substantiate the use and  
5 consumption of all such tangible personal property outside of  
6 the State of Illinois.

7 (39) Beginning January 1, 2008, tangible personal property  
8 used in the construction or maintenance of a community water  
9 supply, as defined under Section 3.145 of the Environmental  
10 Protection Act, that is operated by a not-for-profit  
11 corporation that holds a valid water supply permit issued under  
12 Title IV of the Environmental Protection Act. This paragraph is  
13 exempt from the provisions of Section 2-70.

14 (40) Beginning January 1, 2010, materials, parts,  
15 equipment, components, and furnishings incorporated into or  
16 upon an aircraft as part of the modification, refurbishment,  
17 completion, replacement, repair, or maintenance of the  
18 aircraft. This exemption includes consumable supplies used in  
19 the modification, refurbishment, completion, replacement,  
20 repair, and maintenance of aircraft, but excludes any  
21 materials, parts, equipment, components, and consumable  
22 supplies used in the modification, replacement, repair, and  
23 maintenance of aircraft engines or power plants, whether such  
24 engines or power plants are installed or uninstalled upon any  
25 such aircraft. "Consumable supplies" include, but are not  
26 limited to, adhesive, tape, sandpaper, general purpose

1 lubricants, cleaning solution, latex gloves, and protective  
2 films. This exemption applies only to those organizations that  
3 (i) hold an Air Agency Certificate and are empowered to operate  
4 an approved repair station by the Federal Aviation  
5 Administration, (ii) have a Class IV Rating, and (iii) conduct  
6 operations in accordance with Part 145 of the Federal Aviation  
7 Regulations. The exemption does not include aircraft operated  
8 by a commercial air carrier providing scheduled passenger air  
9 service pursuant to authority issued under Part 121 or Part 129  
10 of the Federal Aviation Regulations.

11 (41) Tangible personal property sold to a  
12 public-facilities corporation, as described in Section  
13 11-65-10 of the Illinois Municipal Code, for purposes of  
14 constructing or furnishing a municipal convention hall, but  
15 only if the legal title to the municipal convention hall is  
16 transferred to the municipality without any further  
17 consideration by or on behalf of the municipality at the time  
18 of the completion of the municipal convention hall or upon the  
19 retirement or redemption of any bonds or other debt instruments  
20 issued by the public-facilities corporation in connection with  
21 the development of the municipal convention hall. This  
22 exemption includes existing public-facilities corporations as  
23 provided in Section 11-65-25 of the Illinois Municipal Code.  
24 This paragraph is exempt from the provisions of Section 2-70.

25 (42) Tangible personal property purchased from a business  
26 located in a business corridor established under Section

1 11-74.7-1 of the Illinois Municipal Code. This exemption  
2 applies beginning on the first day of the first month to occur  
3 not less than 30 days after the business corridor is  
4 established and continues through December 31 of the fifth  
5 calendar year after the business corridor is established. This  
6 paragraph is exempt from the provisions of Section 2-70.

7 (Source: P.A. 95-88, eff. 1-1-08; 95-233, eff. 8-16-07; 95-304,  
8 eff. 8-20-07; 95-538, eff. 1-1-08; 95-707, eff. 1-11-08;  
9 95-876, eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff.  
10 7-1-10; 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000,  
11 eff. 7-2-10.)

12 (35 ILCS 120/2-10)

13 Sec. 2-10. 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 gross receipts from sales of tangible personal property made in  
16 the course of business.

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

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

24 Within 14 days after the effective date of this amendatory  
25 Act of the 91st General Assembly, each retailer of motor fuel

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

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

24 With respect to majority blended ethanol fuel, as defined  
25 in the Use Tax Act, the tax imposed by this Act does not apply  
26 to the proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2013 but applies to 100% of the proceeds of  
2 sales made thereafter.

3 With respect to biodiesel blends, as defined in the Use Tax  
4 Act, with no less than 1% and no more than 10% biodiesel, the  
5 tax imposed by this Act applies to (i) 80% of the proceeds of  
6 sales made on or after July 1, 2003 and on or before December  
7 31, 2013 and (ii) 100% of the proceeds of sales made  
8 thereafter. If, at any time, however, the tax under this Act on  
9 sales of biodiesel blends, as defined in the Use Tax Act, with  
10 no less than 1% and no more than 10% biodiesel 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 biodiesel blends with no less  
13 than 1% 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 sales made on or  
18 after July 1, 2003 and on or before December 31, 2013 but  
19 applies to 100% of the proceeds of sales made thereafter.

20 With respect to food for human consumption that is to be  
21 consumed off the premises where it is sold (other than  
22 alcoholic beverages, soft drinks, and food that has been  
23 prepared for immediate consumption) and prescription and  
24 nonprescription medicines, drugs, medical appliances,  
25 modifications to a motor vehicle for the purpose of rendering  
26 it usable by a disabled person, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, the tax is imposed at the rate of 1%. For the purposes of  
3 this Section, until September 1, 2009: the term "soft drinks"  
4 means any complete, finished, ready-to-use, non-alcoholic  
5 drink, whether carbonated or not, including but not limited to  
6 soda water, cola, fruit juice, vegetable juice, carbonated  
7 water, and all other preparations commonly known as soft drinks  
8 of whatever kind or description that are contained in any  
9 closed or sealed bottle, can, carton, or container, regardless  
10 of size; but "soft drinks" does not include coffee, tea,  
11 non-carbonated water, infant formula, milk or milk products as  
12 defined in the Grade A Pasteurized Milk and Milk Products Act,  
13 or drinks containing 50% or more natural fruit or vegetable  
14 juice.

15 Notwithstanding any other provisions of this Act,  
16 beginning September 1, 2009, "soft drinks" means non-alcoholic  
17 beverages that contain natural or artificial sweeteners. "Soft  
18 drinks" do not include beverages that contain milk or milk  
19 products, soy, rice or similar milk substitutes, or greater  
20 than 50% of vegetable or fruit juice by volume.

21 Until August 1, 2009, and notwithstanding any other  
22 provisions of this Act, "food for human consumption that is to  
23 be consumed off the premises where it is sold" includes all  
24 food sold through a vending machine, except soft drinks and  
25 food products that are dispensed hot from a vending machine,  
26 regardless of the location of the vending machine. Beginning

1 August 1, 2009, and notwithstanding any other provisions of  
2 this Act, "food for human consumption that is to be consumed  
3 off the premises where it is sold" includes all food sold  
4 through a vending machine, except soft drinks, candy, and food  
5 products that are dispensed hot from a vending machine,  
6 regardless of the location of the vending machine.

7 Notwithstanding any other provisions of this Act,  
8 beginning September 1, 2009, "food for human consumption that  
9 is to be consumed off the premises where it is sold" does not  
10 include candy. For purposes of this Section, "candy" means a  
11 preparation of sugar, honey, or other natural or artificial  
12 sweeteners in combination with chocolate, fruits, nuts or other  
13 ingredients or flavorings in the form of bars, drops, or  
14 pieces. "Candy" does not include any preparation that contains  
15 flour or requires refrigeration.

16 Notwithstanding any other provisions of this Act,  
17 beginning September 1, 2009, "nonprescription medicines and  
18 drugs" does not include grooming and hygiene products. For  
19 purposes of this Section, "grooming and hygiene products"  
20 includes, but is not limited to, soaps and cleaning solutions,  
21 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
22 lotions and screens, unless those products are available by  
23 prescription only, regardless of whether the products meet the  
24 definition of "over-the-counter-drugs". For the purposes of  
25 this paragraph, "over-the-counter-drug" means a drug for human  
26 use that contains a label that identifies the product as a drug

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
2 label includes:

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

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

7 With respect to tangible personal property purchased from a  
8 retailer located in a business corridor established under  
9 Section 11-74.7-1 of the Illinois Municipal Code (other than  
10 food for human consumption that is to be consumed off the  
11 premises where it is sold and nonprescription medicines and  
12 drugs), during the sixth calendar year after the business  
13 corridor is established, the tax imposed by this Act is at the  
14 rate of 3% of either the selling price or the fair market  
15 value, if any, of the tangible personal property.

16 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
17 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

18 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

24 1. The name of the seller;

25 2. His residence address and the address of his

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

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

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

15 5. Deductions allowed by law;

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

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

21 8. The amount of tax due;

22 9. The signature of the taxpayer; and

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

25 If a taxpayer fails to sign a return within 30 days after  
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be  
2 due on the return shall be deemed assessed.

3 Each return shall be accompanied by the statement of  
4 prepaid tax issued pursuant to Section 2e for which credit is  
5 claimed.

6 Prior to October 1, 2003, and on and after September 1,  
7 2004 a retailer may accept a Manufacturer's Purchase Credit  
8 certification from a purchaser in satisfaction of Use Tax as  
9 provided in Section 3-85 of the Use Tax Act if the purchaser  
10 provides the appropriate documentation as required by Section  
11 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
12 certification, accepted by a retailer prior to October 1, 2003  
13 and on and after September 1, 2004 as provided in Section 3-85  
14 of the Use Tax Act, may be used by that retailer to satisfy  
15 Retailers' Occupation Tax liability in the amount claimed in  
16 the certification, not to exceed 6.25% of the receipts subject  
17 to tax from a qualifying purchase. A Manufacturer's Purchase  
18 Credit reported on any original or amended return filed under  
19 this Act after October 20, 2003 for reporting periods prior to  
20 September 1, 2004 shall be disallowed. Manufacturer's  
21 Purchaser Credit reported on annual returns due on or after  
22 January 1, 2005 will be disallowed for periods prior to  
23 September 1, 2004. No Manufacturer's Purchase Credit may be  
24 used after September 30, 2003 through August 31, 2004 to  
25 satisfy any tax liability imposed under this Act, including any  
26 audit liability.

1           The Department may require returns to be filed on a  
2 quarterly basis. If so required, a return for each calendar  
3 quarter shall be filed on or before the twentieth day of the  
4 calendar month following the end of such calendar quarter. The  
5 taxpayer shall also file a return with the Department for each  
6 of the first two months of each calendar quarter, on or before  
7 the twentieth day of the following calendar month, stating:

8           1. The name of the seller;

9           2. The address of the principal place of business from  
10 which he engages in the business of selling tangible  
11 personal property at retail in this State;

12           3. The total amount of taxable receipts received by him  
13 during the preceding calendar month from sales of tangible  
14 personal property by him during such preceding calendar  
15 month, including receipts from charge and time sales, but  
16 less all deductions allowed by law;

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

19           5. The amount of tax due; and

20           6. Such other reasonable information as the Department  
21 may require.

22           Beginning on October 1, 2003, any person who is not a  
23 licensed distributor, importing distributor, or manufacturer,  
24 as defined in the Liquor Control Act of 1934, but is engaged in  
25 the business of selling, at retail, alcoholic liquor shall file  
26 a statement with the Department of Revenue, in a format and at

1 a time prescribed by the Department, showing the total amount  
2 paid for alcoholic liquor purchased during the preceding month  
3 and such other information as is reasonably required by the  
4 Department. The Department may adopt rules to require that this  
5 statement be filed in an electronic or telephonic format. Such  
6 rules may provide for exceptions from the filing requirements  
7 of this paragraph. For the purposes of this paragraph, the term  
8 "alcoholic liquor" shall have the meaning prescribed in the  
9 Liquor Control Act of 1934.

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

1 for the preceding month during which the transaction occurred.  
2 The distributor, importing distributor, or manufacturer shall  
3 notify the retailer as to the method by which the distributor,  
4 importing distributor, or manufacturer will provide the sales  
5 information. If the retailer is unable to receive the sales  
6 information by electronic means, the distributor, importing  
7 distributor, or manufacturer shall furnish the sales  
8 information by personal delivery or by mail. For purposes of  
9 this paragraph, the term "electronic means" includes, but is  
10 not limited to, the use of a secure Internet website, e-mail,  
11 or facsimile.

12 If a total amount of less than \$1 is payable, refundable or  
13 creditable, such amount shall be disregarded if it is less than  
14 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

26 The Department shall adopt such rules as are necessary to

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

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

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

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

1           Such quarter annual and annual returns, as to form and  
2 substance, shall be subject to the same requirements as monthly  
3 returns.

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

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

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

13 Any retailer who sells only motor vehicles, watercraft,  
14 aircraft, or trailers that are required to be registered with  
15 an agency of this State, so that all retailers' occupation tax  
16 liability is required to be reported, and is reported, on such  
17 transaction reporting returns and who is not otherwise required  
18 to file monthly or quarterly returns, need not file monthly or  
19 quarterly returns. However, those retailers shall be required  
20 to file returns on an annual basis.

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

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

16 The transaction reporting return in the case of watercraft  
17 or aircraft must show the name and address of the seller; the  
18 name and address of the purchaser; the amount of the selling  
19 price including the amount allowed by the retailer for  
20 traded-in property, if any; the amount allowed by the retailer  
21 for the traded-in tangible personal property, if any, to the  
22 extent to which Section 1 of this Act allows an exemption for  
23 the value of traded-in property; the balance payable after  
24 deducting such trade-in allowance from the total selling price;  
25 the amount of tax due from the retailer with respect to such  
26 transaction; the amount of tax collected from the purchaser by

1 the retailer on such transaction (or satisfactory evidence that  
2 such tax is not due in that particular instance, if that is  
3 claimed to be the fact); the place and date of the sale, a  
4 sufficient identification of the property sold, and such other  
5 information as the Department may reasonably require.

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

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

1 property that is involved (if titling or registration is  
2 required) in support of such purchaser's application for an  
3 Illinois certificate or other evidence of title or registration  
4 to such tangible personal property.

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

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

1 provided for in this Section being allowed. When the user pays  
2 the tax directly to the Department, he shall pay the tax in the  
3 same amount and in the same form in which it would be remitted  
4 if the tax had been remitted to the Department by the retailer.

5 Refunds made by the seller during the preceding return  
6 period to purchasers, on account of tangible personal property  
7 returned to the seller, shall be allowed as a deduction under  
8 subdivision 5 of his monthly or quarterly return, as the case  
9 may be, in case the seller had theretofore included the  
10 receipts from the sale of such tangible personal property in a  
11 return filed by him and had paid the tax imposed by this Act  
12 with respect to such receipts.

13 Where the seller is a corporation, the return filed on  
14 behalf of such corporation shall be signed by the president,  
15 vice-president, secretary or treasurer or by the properly  
16 accredited agent of such corporation.

17 Where the seller is a limited liability company, the return  
18 filed on behalf of the limited liability company shall be  
19 signed by a manager, member, or properly accredited agent of  
20 the limited liability company.

21 Except as provided in this Section, the retailer filing the  
22 return under this Section shall, at the time of filing such  
23 return, pay to the Department the amount of tax imposed by this  
24 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
25 on and after January 1, 1990, or \$5 per calendar year,  
26 whichever is greater, which is allowed to reimburse the

1 retailer for the expenses incurred in keeping records,  
2 preparing and filing returns, remitting the tax and supplying  
3 data to the Department on request. Any prepayment made pursuant  
4 to Section 2d of this Act shall be included in the amount on  
5 which such 2.1% or 1.75% discount is computed. In the case of  
6 retailers who report and pay the tax on a transaction by  
7 transaction basis, as provided in this Section, such discount  
8 shall be taken with each such tax remittance instead of when  
9 such retailer files his periodic return.

10 Before October 1, 2000, if the taxpayer's average monthly  
11 tax liability to the Department under this Act, the Use Tax  
12 Act, the Service Occupation Tax Act, and the Service Use Tax  
13 Act, excluding any liability for prepaid sales tax to be  
14 remitted in accordance with Section 2d of this Act, was \$10,000  
15 or more during the preceding 4 complete calendar quarters, he  
16 shall file a return with the Department each month by the 20th  
17 day of the month next following the month during which such tax  
18 liability is incurred and shall make payments to the Department  
19 on or before the 7th, 15th, 22nd and last day of the month  
20 during which such liability is incurred. On and after October  
21 1, 2000, if the taxpayer's average monthly tax liability to the  
22 Department under this Act, the Use Tax Act, the Service  
23 Occupation Tax Act, and the Service Use Tax Act, excluding any  
24 liability for prepaid sales tax to be remitted in accordance  
25 with Section 2d of this Act, was \$20,000 or more during the  
26 preceding 4 complete calendar quarters, he shall file a return

1 with the Department each month by the 20th day of the month  
2 next following the month during which such tax liability is  
3 incurred and shall make payment to the Department on or before  
4 the 7th, 15th, 22nd and last day of the month during which such  
5 liability is incurred. If the month during which such tax  
6 liability is incurred began prior to January 1, 1985, each  
7 payment shall be in an amount equal to 1/4 of the taxpayer's  
8 actual liability for the month or an amount set by the  
9 Department not to exceed 1/4 of the average monthly liability  
10 of the taxpayer to the Department for the preceding 4 complete  
11 calendar quarters (excluding the month of highest liability and  
12 the month of lowest liability in such 4 quarter period). If the  
13 month during which such tax liability is incurred begins on or  
14 after January 1, 1985 and prior to January 1, 1987, each  
15 payment shall be in an amount equal to 22.5% of the taxpayer's  
16 actual liability for the month or 27.5% of the taxpayer's  
17 liability for the same calendar month of the preceding year. If  
18 the month during which such tax liability is incurred begins on  
19 or after January 1, 1987 and prior to January 1, 1988, each  
20 payment shall be in an amount equal to 22.5% of the taxpayer's  
21 actual liability for the month or 26.25% of the taxpayer's  
22 liability for the same calendar month of the preceding year. If  
23 the month during which such tax liability is incurred begins on  
24 or after January 1, 1988, and prior to January 1, 1989, or  
25 begins on or after January 1, 1996, each payment shall be in an  
26 amount equal to 22.5% of the taxpayer's actual liability for

1 the month or 25% of the taxpayer's liability for the same  
2 calendar month of the preceding year. If the month during which  
3 such tax liability is incurred begins on or after January 1,  
4 1989, and prior to January 1, 1996, each payment shall be in an  
5 amount equal to 22.5% of the taxpayer's actual liability for  
6 the month or 25% of the taxpayer's liability for the same  
7 calendar month of the preceding year or 100% of the taxpayer's  
8 actual liability for the quarter monthly reporting period. The  
9 amount of such quarter monthly payments shall be credited  
10 against the final tax liability of the taxpayer's return for  
11 that month. Before October 1, 2000, once applicable, the  
12 requirement of the making of quarter monthly payments to the  
13 Department by taxpayers having an average monthly tax liability  
14 of \$10,000 or more as determined in the manner provided above  
15 shall continue until such taxpayer's average monthly liability  
16 to the Department during the preceding 4 complete calendar  
17 quarters (excluding the month of highest liability and the  
18 month of lowest liability) is less than \$9,000, or until such  
19 taxpayer's average monthly liability to the Department as  
20 computed for each calendar quarter of the 4 preceding complete  
21 calendar quarter period is less than \$10,000. However, if a  
22 taxpayer can show the Department that a substantial change in  
23 the taxpayer's business has occurred which causes the taxpayer  
24 to anticipate that his average monthly tax liability for the  
25 reasonably foreseeable future will fall below the \$10,000  
26 threshold stated above, then such taxpayer may petition the

1 Department for a change in such taxpayer's reporting status. On  
2 and after October 1, 2000, once applicable, the requirement of  
3 the making of quarter monthly payments to the Department by  
4 taxpayers having an average monthly tax liability of \$20,000 or  
5 more as determined in the manner provided above shall continue  
6 until such taxpayer's average monthly liability to the  
7 Department during the preceding 4 complete calendar quarters  
8 (excluding the month of highest liability and the month of  
9 lowest liability) is less than \$19,000 or until such taxpayer's  
10 average monthly liability to the Department as computed for  
11 each calendar quarter of the 4 preceding complete calendar  
12 quarter period is less than \$20,000. However, if a taxpayer can  
13 show the Department that a substantial change in the taxpayer's  
14 business has occurred which causes the taxpayer to anticipate  
15 that his average monthly tax liability for the reasonably  
16 foreseeable future will fall below the \$20,000 threshold stated  
17 above, then such taxpayer may petition the Department for a  
18 change in such taxpayer's reporting status. The Department  
19 shall change such taxpayer's reporting status unless it finds  
20 that such change is seasonal in nature and not likely to be  
21 long term. If any such quarter monthly payment is not paid at  
22 the time or in the amount required by this Section, then the  
23 taxpayer shall be liable for penalties and interest on the  
24 difference between the minimum amount due as a payment and the  
25 amount of such quarter monthly payment actually and timely  
26 paid, except insofar as the taxpayer has previously made

1 payments for that month to the Department in excess of the  
2 minimum payments previously due as provided in this Section.  
3 The Department shall make reasonable rules and regulations to  
4 govern the quarter monthly payment amount and quarter monthly  
5 payment dates for taxpayers who file on other than a calendar  
6 monthly basis.

7 The provisions of this paragraph apply before October 1,  
8 2001. Without regard to whether a taxpayer is required to make  
9 quarter monthly payments as specified above, any taxpayer who  
10 is required by Section 2d of this Act to collect and remit  
11 prepaid taxes and has collected prepaid taxes which average in  
12 excess of \$25,000 per month during the preceding 2 complete  
13 calendar quarters, shall file a return with the Department as  
14 required by Section 2f and shall make payments to the  
15 Department on or before the 7th, 15th, 22nd and last day of the  
16 month during which such liability is incurred. If the month  
17 during which such tax liability is incurred began prior to the  
18 effective date of this amendatory Act of 1985, each payment  
19 shall be in an amount not less than 22.5% of the taxpayer's  
20 actual liability under Section 2d. If the month during which  
21 such tax liability is incurred begins on or after January 1,  
22 1986, each payment shall be in an amount equal to 22.5% of the  
23 taxpayer's actual liability for the month or 27.5% of the  
24 taxpayer's liability for the same calendar month of the  
25 preceding calendar year. If the month during which such tax  
26 liability is incurred begins on or after 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 26.25% of the taxpayer's  
3 liability for the same calendar month of the preceding year.  
4 The amount of such quarter monthly payments shall be credited  
5 against the final tax liability of the taxpayer's return for  
6 that month filed under this Section or Section 2f, as the case  
7 may be. Once applicable, the requirement of the making of  
8 quarter monthly payments to the Department pursuant to this  
9 paragraph shall continue until such taxpayer's average monthly  
10 prepaid tax collections during the preceding 2 complete  
11 calendar quarters is \$25,000 or less. If any such quarter  
12 monthly payment is not paid at the time or in the amount  
13 required, the taxpayer shall be liable for penalties and  
14 interest on such difference, except insofar as the taxpayer has  
15 previously made payments for that month in excess of the  
16 minimum payments previously due.

17 The provisions of this paragraph apply on and after October  
18 1, 2001. Without regard to whether a taxpayer is required to  
19 make quarter monthly payments as specified above, any taxpayer  
20 who is required by Section 2d of this Act to collect and remit  
21 prepaid taxes and has collected prepaid taxes that average in  
22 excess of \$20,000 per month during the preceding 4 complete  
23 calendar quarters shall file a return with the Department as  
24 required by Section 2f and shall make payments to the  
25 Department on or before the 7th, 15th, 22nd and last day of the  
26 month during which the liability is incurred. Each payment

1 shall be in an amount equal to 22.5% of the taxpayer's actual  
2 liability for the month or 25% of the taxpayer's liability for  
3 the same calendar month of the preceding year. The amount of  
4 the quarter monthly payments shall be credited against the  
5 final tax liability of the taxpayer's return for that month  
6 filed under this Section or Section 2f, as the case may be.  
7 Once applicable, the requirement of the making of quarter  
8 monthly payments to the Department pursuant to this paragraph  
9 shall continue until the taxpayer's average monthly prepaid tax  
10 collections during the preceding 4 complete calendar quarters  
11 (excluding the month of highest liability and the month of  
12 lowest liability) is less than \$19,000 or until such taxpayer's  
13 average monthly liability to the Department as computed for  
14 each calendar quarter of the 4 preceding complete calendar  
15 quarters is less than \$20,000. If any such quarter monthly  
16 payment is not paid at the time or in the amount required, the  
17 taxpayer shall be liable for penalties and interest on such  
18 difference, except insofar as the taxpayer has previously made  
19 payments for that month in excess of the minimum payments  
20 previously due.

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

1 credit evidenced by such credit memorandum may be assigned by  
2 the taxpayer to a similar taxpayer under this Act, the Use Tax  
3 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
4 in accordance with reasonable rules and regulations to be  
5 prescribed by the Department. If no such request is made, the  
6 taxpayer may credit such excess payment against tax liability  
7 subsequently to be remitted to the Department under this Act,  
8 the Use Tax Act, the Service Occupation Tax Act or the Service  
9 Use Tax Act, in accordance with reasonable rules and  
10 regulations prescribed by the Department. If the Department  
11 subsequently determined that all or any part of the credit  
12 taken was not actually due to the taxpayer, the taxpayer's 2.1%  
13 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
14 of the difference between the credit taken and that actually  
15 due, and that taxpayer shall be liable for penalties and  
16 interest on such difference.

17 If a retailer of motor fuel is entitled to a credit under  
18 Section 2d of this Act which exceeds the taxpayer's liability  
19 to the Department under this Act for the month which the  
20 taxpayer is filing a return, the Department shall issue the  
21 taxpayer a credit memorandum for the excess.

22 Notwithstanding any other provision of law, each month the  
23 Department shall remit 100% of the proceeds of the tax imposed  
24 at the rate of 3% on tangible personal property purchased from  
25 a business located in a business corridor during the sixth  
26 calendar year after the business corridor is established to the

1 municipalities that created the business corridor, in  
2 accordance with the intergovernmental agreement creating the  
3 corridor.

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

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

19 Beginning August 1, 2000, each month the Department shall  
20 pay into the County and Mass Transit District Fund 20% of the  
21 net revenue realized for the preceding month from the 1.25%  
22 rate on the selling price of motor fuel and gasohol. Beginning  
23 September 1, 2010, each month the Department shall pay into the  
24 County and Mass Transit District Fund 20% of the net revenue  
25 realized for the preceding month from the 1.25% rate on the  
26 selling price of sales tax holiday items.

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. Beginning September 1,  
9 2010, each month the Department shall pay into the Local  
10 Government Tax Fund 80% of the net revenue realized for the  
11 preceding month from the 1.25% rate on the selling price of  
12 sales tax holiday items.

13           Beginning October 1, 2009, each month the Department shall  
14 pay into the Capital Projects Fund an amount that is equal to  
15 an amount estimated by the Department to represent 80% of the  
16 net revenue realized for the preceding month from the sale of  
17 candy, grooming and hygiene products, and soft drinks that had  
18 been taxed at a rate of 1% prior to September 1, 2009 but that  
19 is now taxed at 6.25%.

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

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

14	Fiscal Year	Annual Specified Amount
15	1986	\$54,800,000
16	1987	\$76,650,000
17	1988	\$80,480,000
18	1989	\$88,510,000
19	1990	\$115,330,000
20	1991	\$145,470,000
21	1992	\$182,730,000
22	1993	\$206,520,000;

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

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

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

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

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

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

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	246,000,000
11	2022	260,000,000
12	2023	275,000,000
13	2024	275,000,000
14	2025	275,000,000
15	2026	279,000,000
16	2027	292,000,000
17	2028	307,000,000
18	2029	322,000,000
19	2030	338,000,000
20	2031	350,000,000
21	2032	350,000,000

22                   and  
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 2060.

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

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

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

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

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

25 (ii) On and after January 1, 1994, the taxpayer shall  
26 be liable for a penalty as described in Section 3-4 of the

1 Uniform Penalty and Interest Act.

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

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

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

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

25 For greater simplicity of administration, manufacturers,  
26 importers and wholesalers whose products are sold at retail in

1 Illinois by numerous retailers, and who wish to do so, may  
2 assume the responsibility for accounting and paying to the  
3 Department all tax accruing under this Act with respect to such  
4 sales, if the retailers who are affected do not make written  
5 objection to the Department to this arrangement.

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

23 Any person engaged in the business of selling tangible  
24 personal property at retail as a concessionaire or other type  
25 of seller at the Illinois State Fair, county fairs, art shows,  
26 flea markets and similar exhibitions or events, or any

1 transient merchants, as defined by Section 2 of the Transient  
2 Merchant Act of 1987, may be required to make a daily report of  
3 the amount of such sales to the Department and to make a daily  
4 payment of the full amount of tax due. The Department shall  
5 impose this requirement when it finds that there is a  
6 significant risk of loss of revenue to the State at such an  
7 exhibition or event. Such a finding shall be based on evidence  
8 that a substantial number of concessionaires or other sellers  
9 who are not residents of Illinois will be engaging in the  
10 business of selling tangible personal property at retail at the  
11 exhibition or event, or other evidence of a significant risk of  
12 loss of revenue to the State. The Department shall notify  
13 concessionaires and other sellers affected by the imposition of  
14 this requirement. In the absence of notification by the  
15 Department, the concessionaires and other sellers shall file  
16 their returns as otherwise required in this Section.

17 (Source: P.A. 95-331, eff. 8-21-07; 96-34, eff. 7-13-09; 96-38,  
18 eff. 7-13-09; 96-898, eff. 5-27-10; 96-1012, eff. 7-7-10;  
19 revised 7-22-10.)

20 Section 25. The Illinois Municipal Code is amended by  
21 adding the heading of Division 74.7 of Article 11 and Section  
22 11-74.7-1 as follows:

23 (65 ILCS 5/Art. 11 Div. 74.7 heading new)

24 DIVISION 74.7. BUSINESS CORRIDORS

1 (65 ILCS 5/11-74.7-1 new)

2 Sec. 11-74.7-1. Business corridors; creation. Two  
3 adjoining disadvantaged municipalities may create a business  
4 corridor by intergovernmental agreement. The business corridor  
5 shall encompass only territory along the common border of the  
6 municipalities that is (i) undeveloped or underdeveloped and  
7 (ii) not likely be developed without the creation of the  
8 business corridor. The agreement shall specify the territory to  
9 be included in the business corridor and the distribution of  
10 tax proceeds collected under the Use Tax Act, the Service Use  
11 Tax Act, the Service Occupation Tax Act, and the Retailers'  
12 Occupation Tax Act in the sixth calendar year after the  
13 district is established. For purposes of this Section,  
14 "disadvantaged municipality" means a municipality with a per  
15 capita equalized assessed valuation (EAV) less than 60% of the  
16 State average and more than 15% of the population below the  
17 national poverty level. The business corridor shall terminate  
18 on December 31 of the sixth calendar year after it is  
19 established.

1 INDEX  
2 Statutes amended in order of appearance

- 3 35 ILCS 105/3-5
- 4 35 ILCS 105/3-10
- 5 35 ILCS 105/9 from Ch. 120, par. 439.9
- 6 35 ILCS 110/3-5
- 7 35 ILCS 110/3-10 from Ch. 120, par. 439.33-10
- 8 35 ILCS 110/9 from Ch. 120, par. 439.39
- 9 35 ILCS 115/3-5
- 10 35 ILCS 115/3-10 from Ch. 120, par. 439.103-10
- 11 35 ILCS 115/9 from Ch. 120, par. 439.109
- 12 35 ILCS 120/2-5
- 13 35 ILCS 120/2-10
- 14 35 ILCS 120/3 from Ch. 120, par. 442
- 15 65 ILCS 5/Art. 11 Div.
- 16 74.7 heading new
- 17 65 ILCS 5/11-74.7-1 new