

1 AN ACT concerning revenue.

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

4 Section 5. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 2505-380 as follows:

7 (20 ILCS 2505/2505-380) (was 20 ILCS 2505/39b47)

8 Sec. 2505-380. Revocation of or refusal to issue a
9 certificate of registration, permit, or license.

10 (a) The Department has the power ~~to refuse to issue or,~~
11 after notice and an opportunity for a hearing, to revoke a
12 certificate of registration, permit, or license issued ~~or~~
13 ~~authorized to be issued~~ by the Department if the ~~applicant for~~
14 ~~or~~ holder of the certificate of registration, permit, or
15 license fails to file a return, or to pay the tax, fee,
16 penalty, or interest shown in a filed return, or to pay any
17 final assessment of tax, fee, penalty, or interest, as required
18 by the tax or fee Act under which the certificate of
19 registration, permit, or license is required or any other tax
20 or fee Act administered by the Department.

21 (b) The Department may refuse to issue a certificate of
22 registration, permit, or license authorized to be issued by the
23 Department if a person who is named as the owner, a partner, a

1 corporate officer, or, in the case of a limited liability
2 company, a manager or member, of the applicant on the
3 application for the certificate of registration, permit or
4 license, is or has been named as the owner, a partner, a
5 corporate officer, or in the case of a limited liability
6 company, a manager or member, on the application for the
7 certificate of registration, permit, or license of a person
8 that is in default for moneys due under the tax or fee Act upon
9 which the certificate of registration, permit, or license is
10 required or any other tax or fee Act administered by the
11 Department. For purposes of this Section only, in determining
12 whether a person is in default for moneys due, the Department
13 shall include only amounts established as a final liability
14 within the 20 years prior to the date of the Department's
15 notice of refusal to issue the certificate of registration,
16 permit, or license. For purposes of this Section, "person"
17 means any natural individual, firm, partnership, association,
18 joint stock company, joint adventure, public or private
19 corporation, limited liability company, or a receiver,
20 executor, trustee, guardian or other representative appointed
21 by order of any court.

22 (c) When revoking or refusing to issue a certificate of
23 registration, permit, or license issued by the Department, the
24 The procedure for notice and hearing used shall be the
25 procedure prior to revocation shall be as provided under the
26 Act pursuant to which the certificate of registration, permit,

1 or license was issued.

2 (Source: P.A. 91-239, eff. 1-1-00.)

3 Section 15. The State Finance Act is amended by changing
4 Section 13.3 as follows:

5 (30 ILCS 105/13.3) (from Ch. 127, par. 149.3)

6 Sec. 13.3. Petty cash funds; purchasing cards.

7 (a) Any State agency may establish and maintain petty cash
8 funds for the purpose of making change, purchasing items of
9 small cost, payment of postage due, and for other nominal
10 expenditures which cannot be administered economically and
11 efficiently through customary procurement practices.

12 Petty cash funds may be established and maintained from
13 moneys which are appropriated to the agency for Contractual
14 Services. In the case of an agency which receives a single
15 appropriation for its ordinary and contingent expenses, the
16 agency may establish a petty cash fund from the appropriated
17 funds.

18 Before the establishment of any petty cash fund, the agency
19 shall submit to the State Comptroller a survey of the need for
20 the fund. The survey shall also establish that sufficient
21 internal accounting controls exist. The Comptroller shall
22 investigate such need and if he determines that it exists and
23 that adequate accounting controls exist, shall approve the
24 establishment of the fund. The Comptroller shall have the power

1 to revoke any approval previously made under this Section.

2 Petty cash funds established under this Section shall be
3 operated and maintained on the imprest system and no fund shall
4 exceed \$1,000, except that the Department of Revenue may
5 maintain a fund not exceeding \$2,000 for each Department of
6 Revenue facility and the Secretary of State may maintain a fund
7 of not exceeding \$2,000 for each Chicago Motor Vehicle
8 Facility, each Springfield Public Service Facility, and the
9 Motor Vehicle Facilities in Champaign, Decatur, Marion,
10 Naperville, Peoria, Rockford, Granite City, Quincy, and
11 Carbondale, to be used solely for the purpose of making change.
12 Except for purchases made by procurement card as provided in
13 subsection (b) of this Section, single transactions shall be
14 limited to amounts less than \$50, and all transactions
15 occurring in the fund shall be reported and accounted for as
16 may be provided in the uniform accounting system developed by
17 the State Comptroller and the rules and regulations
18 implementing that accounting system. All amounts in any such
19 fund of less than \$1,000 but over \$100 shall be kept in a
20 checking account in a bank, or savings and loan association or
21 trust company which is insured by the United States government
22 or any agency of the United States government, except that in
23 funds maintained in each Department of Revenue Facility,
24 Chicago Motor Vehicle Facilities, each Springfield Public
25 Service Facility, and the Motor Vehicle Facilities in
26 Champaign, Decatur, Marion, Naperville, Peoria, Rockford,

1 Granite City, Quincy, and Carbondale, all amounts in the fund
2 may be retained on the premises of such facilities.

3 No bank or savings and loan association shall receive
4 public funds as permitted by this Section, unless it has
5 complied with the requirements established pursuant to Section
6 of "An Act relating to certain investments of public funds by
7 public agencies", approved July 23, 1943, as now or hereafter
8 amended.

9 An internal audit shall be performed of any petty cash fund
10 which receives reimbursements of more than \$5,000 in a fiscal
11 year.

12 Upon succession in the custodianship of any petty cash
13 fund, both the former and successor custodians shall sign a
14 statement, in triplicate, showing the exact status of the fund
15 at the time of the transfer. The original copy shall be kept on
16 file in the office wherein the fund exists, and each signer
17 shall be entitled to retain one copy.

18 (b) The Comptroller may provide by rule for the use of
19 purchasing cards by State agencies to pay for purchases that
20 otherwise may be paid out of the agency's petty cash fund. Any
21 rule adopted hereunder shall impose a single transaction limit,
22 which shall not be greater than \$500.

23 The rules of the Comptroller may include but shall not be
24 limited to:

25 (1) standards for the issuance of purchasing cards to
26 State agencies based upon the best interests of the State;

1 (2) procedures for recording purchasing card
2 transactions within the State accounting system, which may
3 provide for summary reporting;

4 (3) procedures for auditing purchasing card
5 transactions on a post-payment basis;

6 (4) standards for awarding contracts with a purchasing
7 card vendor to acquire purchasing cards for use by State
8 agencies; and

9 (5) procedures for the Comptroller to charge against
10 State agency appropriations for payment of purchasing card
11 expenditures without the use of the voucher and warrant
12 system.

13 (c) As used in this Section, "State agency" means any
14 department, officer, authority, public corporation,
15 quasi-public corporation, commission, board, institution,
16 State college or university, or other public agency created by
17 the State, other than units of local government and school
18 districts.

19 (Source: P.A. 90-33, eff. 6-27-97; 91-704, eff. 7-1-00.)

20 Section 20. The Illinois Income Tax Act is amended by
21 changing Sections 303, 304, 701, 710, and 905 as follows:

22 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

23 Sec. 303. (a) In general. Any item of capital gain or loss,
24 and any item of income from rents or royalties from real or

1 tangible personal property, interest, dividends, and patent or
2 copyright royalties, and prizes awarded under the Illinois
3 Lottery Law, to the extent such item constitutes nonbusiness
4 income, together with any item of deduction directly allocable
5 thereto, shall be allocated by any person other than a resident
6 as provided in this Section.

7 (b) Capital gains and losses.

8 (1) Real property. Capital gains and losses from sales
9 or exchanges of real property are allocable to this State
10 if the property is located in this State.

11 (2) Tangible personal property. Capital gains and
12 losses from sales or exchanges of tangible personal
13 property are allocable to this State if, at the time of
14 such sale or exchange:

15 (A) The property had its situs in this State; or

16 (B) The taxpayer had its commercial domicile in
17 this State and was not taxable in the state in which
18 the property had its situs.

19 (3) Intangibles. Capital gains and losses from sales or
20 exchanges of intangible personal property are allocable to
21 this State if the taxpayer had its commercial domicile in
22 this State at the time of such sale or exchange.

23 (c) Rents and royalties.

24 (1) Real property. Rents and royalties from real
25 property are allocable to this State if the property is
26 located in this State.

1 (2) Tangible personal property. Rents and royalties
2 from tangible personal property are allocable to this
3 State:

4 (A) If and to the extent that the property is
5 utilized in this State; or

6 (B) In their entirety if, at the time such rents or
7 royalties were paid or accrued, the taxpayer had its
8 commercial domicile in this State and was not organized
9 under the laws of or taxable with respect to such rents
10 or royalties in the state in which the property was
11 utilized. The extent of utilization of tangible
12 personal property in a state is determined by
13 multiplying the rents or royalties derived from such
14 property by a fraction, the numerator of which is the
15 number of days of physical location of the property in
16 the state during the rental or royalty period in the
17 taxable year and the denominator of which is the number
18 of days of physical location of the property everywhere
19 during all rental or royalty periods in the taxable
20 year. If the physical location of the property during
21 the rental or royalty period is unknown or
22 unascertainable by the taxpayer, tangible personal
23 property is utilized in the state in which the property
24 was located at the time the rental or royalty payer
25 obtained possession.

26 (d) Patent and copyright royalties.

1 (1) Allocation. Patent and copyright royalties are
2 allocable to this State:

3 (A) If and to the extent that the patent or
4 copyright is utilized by the payer in this State; or

5 (B) If and to the extent that the patent or
6 copyright is utilized by the payer in a state in which
7 the taxpayer is not taxable with respect to such
8 royalties and, at the time such royalties were paid or
9 accrued, the taxpayer had its commercial domicile in
10 this State.

11 (2) Utilization.

12 (A) A patent is utilized in a state to the extent
13 that it is employed in production, fabrication,
14 manufacturing or other processing in the state or to
15 the extent that a patented product is produced in the
16 state. If the basis of receipts from patent royalties
17 does not permit allocation to states or if the
18 accounting procedures do not reflect states of
19 utilization, the patent is utilized in this State if
20 the taxpayer has its commercial domicile in this State.

21 (B) A copyright is utilized in a state to the
22 extent that printing or other publication originates
23 in the state. If the basis of receipts from copyright
24 royalties does not permit allocation to states or if
25 the accounting procedures do not reflect states of
26 utilization, the copyright is utilized in this State if

1 the taxpayer has its commercial domicile in this State.

2 (e) Illinois lottery prizes. Prizes awarded under the
3 Illinois Lottery Law ~~"Illinois Lottery Law", approved December~~
4 ~~14, 1973,~~ are allocable to this State. Payments received in
5 taxable years ending on or after December 31, 2013, from the
6 assignment of a prize under Section 13.1 of the Illinois
7 Lottery Law are allocable to this State.

8 (e-5) Unemployment benefits. Unemployment benefits paid by
9 the Illinois Department of Employment Security are allocable to
10 this State.

11 (f) Taxability in other state. For purposes of allocation
12 of income pursuant to this Section, a taxpayer is taxable in
13 another state if:

14 (1) In that state he is subject to a net income tax, a
15 franchise tax measured by net income, a franchise tax for
16 the privilege of doing business, or a corporate stock tax;
17 or

18 (2) That state has jurisdiction to subject the taxpayer
19 to a net income tax regardless of whether, in fact, the
20 state does or does not.

21 (g) Cross references.

22 (1) For allocation of interest and dividends by persons
23 other than residents, see Section 301(c)(2).

24 (2) For allocation of nonbusiness income by residents,
25 see Section 301(a).

26 (Source: P.A. 97-709, eff. 7-1-12.)

1 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

2 Sec. 304. Business income of persons other than residents.

3 (a) In general. The business income of a person other than
4 a resident shall be allocated to this State if such person's
5 business income is derived solely from this State. If a person
6 other than a resident derives business income from this State
7 and one or more other states, then, for tax years ending on or
8 before December 30, 1998, and except as otherwise provided by
9 this Section, such person's business income shall be
10 apportioned to this State by multiplying the income by a
11 fraction, the numerator of which is the sum of the property
12 factor (if any), the payroll factor (if any) and 200% of the
13 sales factor (if any), and the denominator of which is 4
14 reduced by the number of factors other than the sales factor
15 which have a denominator of zero and by an additional 2 if the
16 sales factor has a denominator of zero. For tax years ending on
17 or after December 31, 1998, and except as otherwise provided by
18 this Section, persons other than residents who derive business
19 income from this State and one or more other states shall
20 compute their apportionment factor by weighting their
21 property, payroll, and sales factors as provided in subsection
22 (h) of this Section.

23 (1) Property factor.

24 (A) The property factor is a fraction, the numerator of
25 which is the average value of the person's real and

1 tangible personal property owned or rented and used in the
2 trade or business in this State during the taxable year and
3 the denominator of which is the average value of all the
4 person's real and tangible personal property owned or
5 rented and used in the trade or business during the taxable
6 year.

7 (B) Property owned by the person is valued at its
8 original cost. Property rented by the person is valued at 8
9 times the net annual rental rate. Net annual rental rate is
10 the annual rental rate paid by the person less any annual
11 rental rate received by the person from sub-rentals.

12 (C) The average value of property shall be determined
13 by averaging the values at the beginning and ending of the
14 taxable year but the Director may require the averaging of
15 monthly values during the taxable year if reasonably
16 required to reflect properly the average value of the
17 person's property.

18 (2) Payroll factor.

19 (A) The payroll factor is a fraction, the numerator of
20 which is the total amount paid in this State during the
21 taxable year by the person for compensation, and the
22 denominator of which is the total compensation paid
23 everywhere during the taxable year.

24 (B) Compensation is paid in this State if:

25 (i) The individual's service is performed entirely
26 within this State;

1 (ii) The individual's service is performed both
2 within and without this State, but the service
3 performed without this State is incidental to the
4 individual's service performed within this State; or

5 (iii) Some of the service is performed within this
6 State and either the base of operations, or if there is
7 no base of operations, the place from which the service
8 is directed or controlled is within this State, or the
9 base of operations or the place from which the service
10 is directed or controlled is not in any state in which
11 some part of the service is performed, but the
12 individual's residence is in this State.

13 (iv) Compensation paid to nonresident professional
14 athletes.

15 (a) General. The Illinois source income of a
16 nonresident individual who is a member of a
17 professional athletic team includes the portion of the
18 individual's total compensation for services performed
19 as a member of a professional athletic team during the
20 taxable year which the number of duty days spent within
21 this State performing services for the team in any
22 manner during the taxable year bears to the total
23 number of duty days spent both within and without this
24 State during the taxable year.

25 (b) Travel days. Travel days that do not involve
26 either a game, practice, team meeting, or other similar

1 team event are not considered duty days spent in this
2 State. However, such travel days are considered in the
3 total duty days spent both within and without this
4 State.

5 (c) Definitions. For purposes of this subpart
6 (iv):

7 (1) The term "professional athletic team"
8 includes, but is not limited to, any professional
9 baseball, basketball, football, soccer, or hockey
10 team.

11 (2) The term "member of a professional
12 athletic team" includes those employees who are
13 active players, players on the disabled list, and
14 any other persons required to travel and who travel
15 with and perform services on behalf of a
16 professional athletic team on a regular basis.
17 This includes, but is not limited to, coaches,
18 managers, and trainers.

19 (3) Except as provided in items (C) and (D) of
20 this subpart (3), the term "duty days" means all
21 days during the taxable year from the beginning of
22 the professional athletic team's official
23 pre-season training period through the last game
24 in which the team competes or is scheduled to
25 compete. Duty days shall be counted for the year in
26 which they occur, including where a team's

1 official pre-season training period through the
2 last game in which the team competes or is
3 scheduled to compete, occurs during more than one
4 tax year.

5 (A) Duty days shall also include days on
6 which a member of a professional athletic team
7 performs service for a team on a date that does
8 not fall within the foregoing period (e.g.,
9 participation in instructional leagues, the
10 "All Star Game", or promotional "caravans").
11 Performing a service for a professional
12 athletic team includes conducting training and
13 rehabilitation activities, when such
14 activities are conducted at team facilities.

15 (B) Also included in duty days are game
16 days, practice days, days spent at team
17 meetings, promotional caravans, preseason
18 training camps, and days served with the team
19 through all post-season games in which the team
20 competes or is scheduled to compete.

21 (C) Duty days for any person who joins a
22 team during the period from the beginning of
23 the professional athletic team's official
24 pre-season training period through the last
25 game in which the team competes, or is
26 scheduled to compete, shall begin on the day

1 that person joins the team. Conversely, duty
2 days for any person who leaves a team during
3 this period shall end on the day that person
4 leaves the team. Where a person switches teams
5 during a taxable year, a separate duty-day
6 calculation shall be made for the period the
7 person was with each team.

8 (D) Days for which a member of a
9 professional athletic team is not compensated
10 and is not performing services for the team in
11 any manner, including days when such member of
12 a professional athletic team has been
13 suspended without pay and prohibited from
14 performing any services for the team, shall not
15 be treated as duty days.

16 (E) Days for which a member of a
17 professional athletic team is on the disabled
18 list and does not conduct rehabilitation
19 activities at facilities of the team, and is
20 not otherwise performing services for the team
21 in Illinois, shall not be considered duty days
22 spent in this State. All days on the disabled
23 list, however, are considered to be included in
24 total duty days spent both within and without
25 this State.

26 (4) The term "total compensation for services

1 performed as a member of a professional athletic
2 team" means the total compensation received during
3 the taxable year for services performed:

4 (A) from the beginning of the official
5 pre-season training period through the last
6 game in which the team competes or is scheduled
7 to compete during that taxable year; and

8 (B) during the taxable year on a date which
9 does not fall within the foregoing period
10 (e.g., participation in instructional leagues,
11 the "All Star Game", or promotional caravans).

12 This compensation shall include, but is not
13 limited to, salaries, wages, bonuses as described
14 in this subpart, and any other type of compensation
15 paid during the taxable year to a member of a
16 professional athletic team for services performed
17 in that year. This compensation does not include
18 strike benefits, severance pay, termination pay,
19 contract or option year buy-out payments,
20 expansion or relocation payments, or any other
21 payments not related to services performed for the
22 team.

23 For purposes of this subparagraph, "bonuses"
24 included in "total compensation for services
25 performed as a member of a professional athletic
26 team" subject to the allocation described in

1 Section 302(c)(1) are: bonuses earned as a result
2 of play (i.e., performance bonuses) during the
3 season, including bonuses paid for championship,
4 playoff or "bowl" games played by a team, or for
5 selection to all-star league or other honorary
6 positions; and bonuses paid for signing a
7 contract, unless the payment of the signing bonus
8 is not conditional upon the signee playing any
9 games for the team or performing any subsequent
10 services for the team or even making the team, the
11 signing bonus is payable separately from the
12 salary and any other compensation, and the signing
13 bonus is nonrefundable.

14 (3) Sales factor.

15 (A) The sales factor is a fraction, the numerator of
16 which is the total sales of the person in this State during
17 the taxable year, and the denominator of which is the total
18 sales of the person everywhere during the taxable year.

19 (B) Sales of tangible personal property are in this
20 State if:

21 (i) The property is delivered or shipped to a
22 purchaser, other than the United States government,
23 within this State regardless of the f. o. b. point or
24 other conditions of the sale; or

25 (ii) The property is shipped from an office, store,
26 warehouse, factory or other place of storage in this

1 State and either the purchaser is the United States
2 government or the person is not taxable in the state of
3 the purchaser; provided, however, that premises owned
4 or leased by a person who has independently contracted
5 with the seller for the printing of newspapers,
6 periodicals or books shall not be deemed to be an
7 office, store, warehouse, factory or other place of
8 storage for purposes of this Section. Sales of tangible
9 personal property are not in this State if the seller
10 and purchaser would be members of the same unitary
11 business group but for the fact that either the seller
12 or purchaser is a person with 80% or more of total
13 business activity outside of the United States and the
14 property is purchased for resale.

15 (B-1) Patents, copyrights, trademarks, and similar
16 items of intangible personal property.

17 (i) Gross receipts from the licensing, sale, or
18 other disposition of a patent, copyright, trademark,
19 or similar item of intangible personal property, other
20 than gross receipts governed by paragraph (B-7) of this
21 item (3), are in this State to the extent the item is
22 utilized in this State during the year the gross
23 receipts are included in gross income.

24 (ii) Place of utilization.

25 (I) A patent is utilized in a state to the
26 extent that it is employed in production,

1 fabrication, manufacturing, or other processing in
2 the state or to the extent that a patented product
3 is produced in the state. If a patent is utilized
4 in more than one state, the extent to which it is
5 utilized in any one state shall be a fraction equal
6 to the gross receipts of the licensee or purchaser
7 from sales or leases of items produced,
8 fabricated, manufactured, or processed within that
9 state using the patent and of patented items
10 produced within that state, divided by the total of
11 such gross receipts for all states in which the
12 patent is utilized.

13 (II) A copyright is utilized in a state to the
14 extent that printing or other publication
15 originates in the state. If a copyright is utilized
16 in more than one state, the extent to which it is
17 utilized in any one state shall be a fraction equal
18 to the gross receipts from sales or licenses of
19 materials printed or published in that state
20 divided by the total of such gross receipts for all
21 states in which the copyright is utilized.

22 (III) Trademarks and other items of intangible
23 personal property governed by this paragraph (B-1)
24 are utilized in the state in which the commercial
25 domicile of the licensee or purchaser is located.

26 (iii) If the state of utilization of an item of

1 property governed by this paragraph (B-1) cannot be
2 determined from the taxpayer's books and records or
3 from the books and records of any person related to the
4 taxpayer within the meaning of Section 267(b) of the
5 Internal Revenue Code, 26 U.S.C. 267, the gross
6 receipts attributable to that item shall be excluded
7 from both the numerator and the denominator of the
8 sales factor.

9 (B-2) Gross receipts from the license, sale, or other
10 disposition of patents, copyrights, trademarks, and
11 similar items of intangible personal property, other than
12 gross receipts governed by paragraph (B-7) of this item
13 (3), may be included in the numerator or denominator of the
14 sales factor only if gross receipts from licenses, sales,
15 or other disposition of such items comprise more than 50%
16 of the taxpayer's total gross receipts included in gross
17 income during the tax year and during each of the 2
18 immediately preceding tax years; provided that, when a
19 taxpayer is a member of a unitary business group, such
20 determination shall be made on the basis of the gross
21 receipts of the entire unitary business group.

22 (B-5) For taxable years ending on or after December 31,
23 2008, except as provided in subsections (ii) through (vii),
24 receipts from the sale of telecommunications service or
25 mobile telecommunications service are in this State if the
26 customer's service address is in this State.

1 (i) For purposes of this subparagraph (B-5), the
2 following terms have the following meanings:

3 "Ancillary services" means services that are
4 associated with or incidental to the provision of
5 "telecommunications services", including but not
6 limited to "detailed telecommunications billing",
7 "directory assistance", "vertical service", and "voice
8 mail services".

9 "Air-to-Ground Radiotelephone service" means a
10 radio service, as that term is defined in 47 CFR 22.99,
11 in which common carriers are authorized to offer and
12 provide radio telecommunications service for hire to
13 subscribers in aircraft.

14 "Call-by-call Basis" means any method of charging
15 for telecommunications services where the price is
16 measured by individual calls.

17 "Communications Channel" means a physical or
18 virtual path of communications over which signals are
19 transmitted between or among customer channel
20 termination points.

21 "Conference bridging service" means an "ancillary
22 service" that links two or more participants of an
23 audio or video conference call and may include the
24 provision of a telephone number. "Conference bridging
25 service" does not include the "telecommunications
26 services" used to reach the conference bridge.

1 "Customer Channel Termination Point" means the
2 location where the customer either inputs or receives
3 the communications.

4 "Detailed telecommunications billing service"
5 means an "ancillary service" of separately stating
6 information pertaining to individual calls on a
7 customer's billing statement.

8 "Directory assistance" means an "ancillary
9 service" of providing telephone number information,
10 and/or address information.

11 "Home service provider" means the facilities based
12 carrier or reseller with which the customer contracts
13 for the provision of mobile telecommunications
14 services.

15 "Mobile telecommunications service" means
16 commercial mobile radio service, as defined in Section
17 20.3 of Title 47 of the Code of Federal Regulations as
18 in effect on June 1, 1999.

19 "Place of primary use" means the street address
20 representative of where the customer's use of the
21 telecommunications service primarily occurs, which
22 must be the residential street address or the primary
23 business street address of the customer. In the case of
24 mobile telecommunications services, "place of primary
25 use" must be within the licensed service area of the
26 home service provider.

1 "Post-paid telecommunication service" means the
2 telecommunications service obtained by making a
3 payment on a call-by-call basis either through the use
4 of a credit card or payment mechanism such as a bank
5 card, travel card, credit card, or debit card, or by
6 charge made to a telephone number which is not
7 associated with the origination or termination of the
8 telecommunications service. A post-paid calling
9 service includes telecommunications service, except a
10 prepaid wireless calling service, that would be a
11 prepaid calling service except it is not exclusively a
12 telecommunication service.

13 "Prepaid telecommunication service" means the
14 right to access exclusively telecommunications
15 services, which must be paid for in advance and which
16 enables the origination of calls using an access number
17 or authorization code, whether manually or
18 electronically dialed, and that is sold in
19 predetermined units or dollars of which the number
20 declines with use in a known amount.

21 "Prepaid Mobile telecommunication service" means a
22 telecommunications service that provides the right to
23 utilize mobile wireless service as well as other
24 non-telecommunication services, including but not
25 limited to ancillary services, which must be paid for
26 in advance that is sold in predetermined units or

1 dollars of which the number declines with use in a
2 known amount.

3 "Private communication service" means a
4 telecommunication service that entitles the customer
5 to exclusive or priority use of a communications
6 channel or group of channels between or among
7 termination points, regardless of the manner in which
8 such channel or channels are connected, and includes
9 switching capacity, extension lines, stations, and any
10 other associated services that are provided in
11 connection with the use of such channel or channels.

12 "Service address" means:

13 (a) The location of the telecommunications
14 equipment to which a customer's call is charged and
15 from which the call originates or terminates,
16 regardless of where the call is billed or paid;

17 (b) If the location in line (a) is not known,
18 service address means the origination point of the
19 signal of the telecommunications services first
20 identified by either the seller's
21 telecommunications system or in information
22 received by the seller from its service provider
23 where the system used to transport such signals is
24 not that of the seller; and

25 (c) If the locations in line (a) and line (b)
26 are not known, the service address means the

1 location of the customer's place of primary use.

2 "Telecommunications service" means the electronic
3 transmission, conveyance, or routing of voice, data,
4 audio, video, or any other information or signals to a
5 point, or between or among points. The term
6 "telecommunications service" includes such
7 transmission, conveyance, or routing in which computer
8 processing applications are used to act on the form,
9 code or protocol of the content for purposes of
10 transmission, conveyance or routing without regard to
11 whether such service is referred to as voice over
12 Internet protocol services or is classified by the
13 Federal Communications Commission as enhanced or value
14 added. "Telecommunications service" does not include:

15 (a) Data processing and information services
16 that allow data to be generated, acquired, stored,
17 processed, or retrieved and delivered by an
18 electronic transmission to a purchaser when such
19 purchaser's primary purpose for the underlying
20 transaction is the processed data or information;

21 (b) Installation or maintenance of wiring or
22 equipment on a customer's premises;

23 (c) Tangible personal property;

24 (d) Advertising, including but not limited to
25 directory advertising.

26 (e) Billing and collection services provided

1 to third parties;

2 (f) Internet access service;

3 (g) Radio and television audio and video
4 programming services, regardless of the medium,
5 including the furnishing of transmission,
6 conveyance and routing of such services by the
7 programming service provider. Radio and television
8 audio and video programming services shall include
9 but not be limited to cable service as defined in
10 47 USC 522(6) and audio and video programming
11 services delivered by commercial mobile radio
12 service providers, as defined in 47 CFR 20.3;

13 (h) "Ancillary services"; or

14 (i) Digital products "delivered
15 electronically", including but not limited to
16 software, music, video, reading materials or ring
17 tones.

18 "Vertical service" means an "ancillary service"
19 that is offered in connection with one or more
20 "telecommunications services", which offers advanced
21 calling features that allow customers to identify
22 callers and to manage multiple calls and call
23 connections, including "conference bridging services".

24 "Voice mail service" means an "ancillary service"
25 that enables the customer to store, send or receive
26 recorded messages. "Voice mail service" does not

1 include any "vertical services" that the customer may
2 be required to have in order to utilize the "voice mail
3 service".

4 (ii) Receipts from the sale of telecommunications
5 service sold on an individual call-by-call basis are in
6 this State if either of the following applies:

7 (a) The call both originates and terminates in
8 this State.

9 (b) The call either originates or terminates
10 in this State and the service address is located in
11 this State.

12 (iii) Receipts from the sale of postpaid
13 telecommunications service at retail are in this State
14 if the origination point of the telecommunication
15 signal, as first identified by the service provider's
16 telecommunication system or as identified by
17 information received by the seller from its service
18 provider if the system used to transport
19 telecommunication signals is not the seller's, is
20 located in this State.

21 (iv) Receipts from the sale of prepaid
22 telecommunications service or prepaid mobile
23 telecommunications service at retail are in this State
24 if the purchaser obtains the prepaid card or similar
25 means of conveyance at a location in this State.
26 Receipts from recharging a prepaid telecommunications

1 service or mobile telecommunications service is in
2 this State if the purchaser's billing information
3 indicates a location in this State.

4 (v) Receipts from the sale of private
5 communication services are in this State as follows:

6 (a) 100% of receipts from charges imposed at
7 each channel termination point in this State.

8 (b) 100% of receipts from charges for the total
9 channel mileage between each channel termination
10 point in this State.

11 (c) 50% of the total receipts from charges for
12 service segments when those segments are between 2
13 customer channel termination points, 1 of which is
14 located in this State and the other is located
15 outside of this State, which segments are
16 separately charged.

17 (d) The receipts from charges for service
18 segments with a channel termination point located
19 in this State and in two or more other states, and
20 which segments are not separately billed, are in
21 this State based on a percentage determined by
22 dividing the number of customer channel
23 termination points in this State by the total
24 number of customer channel termination points.

25 (vi) Receipts from charges for ancillary services
26 for telecommunications service sold to customers at

1 retail are in this State if the customer's primary
2 place of use of telecommunications services associated
3 with those ancillary services is in this State. If the
4 seller of those ancillary services cannot determine
5 where the associated telecommunications are located,
6 then the ancillary services shall be based on the
7 location of the purchaser.

8 (vii) Receipts to access a carrier's network or
9 from the sale of telecommunication services or
10 ancillary services for resale are in this State as
11 follows:

12 (a) 100% of the receipts from access fees
13 attributable to intrastate telecommunications
14 service that both originates and terminates in
15 this State.

16 (b) 50% of the receipts from access fees
17 attributable to interstate telecommunications
18 service if the interstate call either originates
19 or terminates in this State.

20 (c) 100% of the receipts from interstate end
21 user access line charges, if the customer's
22 service address is in this State. As used in this
23 subdivision, "interstate end user access line
24 charges" includes, but is not limited to, the
25 surcharge approved by the federal communications
26 commission and levied pursuant to 47 CFR 69.

1 (d) Gross receipts from sales of
2 telecommunication services or from ancillary
3 services for telecommunications services sold to
4 other telecommunication service providers for
5 resale shall be sourced to this State using the
6 apportionment concepts used for non-resale
7 receipts of telecommunications services if the
8 information is readily available to make that
9 determination. If the information is not readily
10 available, then the taxpayer may use any other
11 reasonable and consistent method.

12 (B-7) For taxable years ending on or after December 31,
13 2008, receipts from the sale of broadcasting services are
14 in this State if the broadcasting services are received in
15 this State. For purposes of this paragraph (B-7), the
16 following terms have the following meanings:

17 "Advertising revenue" means consideration received
18 by the taxpayer in exchange for broadcasting services
19 or allowing the broadcasting of commercials or
20 announcements in connection with the broadcasting of
21 film or radio programming, from sponsorships of the
22 programming, or from product placements in the
23 programming.

24 "Audience factor" means the ratio that the
25 audience or subscribers located in this State of a
26 station, a network, or a cable system bears to the

1 total audience or total subscribers for that station,
2 network, or cable system. The audience factor for film
3 or radio programming shall be determined by reference
4 to the books and records of the taxpayer or by
5 reference to published rating statistics provided the
6 method used by the taxpayer is consistently used from
7 year to year for this purpose and fairly represents the
8 taxpayer's activity in this State.

9 "Broadcast" or "broadcasting" or "broadcasting
10 services" means the transmission or provision of film
11 or radio programming, whether through the public
12 airwaves, by cable, by direct or indirect satellite
13 transmission, or by any other means of communication,
14 either through a station, a network, or a cable system.

15 "Film" or "film programming" means the broadcast
16 on television of any and all performances, events, or
17 productions, including but not limited to news,
18 sporting events, plays, stories, or other literary,
19 commercial, educational, or artistic works, either
20 live or through the use of video tape, disc, or any
21 other type of format or medium. Each episode of a
22 series of films produced for television shall
23 constitute separate "film" notwithstanding that the
24 series relates to the same principal subject and is
25 produced during one or more tax periods.

26 "Radio" or "radio programming" means the broadcast

1 on radio of any and all performances, events, or
2 productions, including but not limited to news,
3 sporting events, plays, stories, or other literary,
4 commercial, educational, or artistic works, either
5 live or through the use of an audio tape, disc, or any
6 other format or medium. Each episode in a series of
7 radio programming produced for radio broadcast shall
8 constitute a separate "radio programming"
9 notwithstanding that the series relates to the same
10 principal subject and is produced during one or more
11 tax periods.

12 (i) In the case of advertising revenue from
13 broadcasting, the customer is the advertiser and
14 the service is received in this State if the
15 commercial domicile of the advertiser is in this
16 State.

17 (ii) In the case where film or radio
18 programming is broadcast by a station, a network,
19 or a cable system for a fee or other remuneration
20 received from the recipient of the broadcast, the
21 portion of the service that is received in this
22 State is measured by the portion of the recipients
23 of the broadcast located in this State.
24 Accordingly, the fee or other remuneration for
25 such service that is included in the Illinois
26 numerator of the sales factor is the total of those

1 fees or other remuneration received from
2 recipients in Illinois. For purposes of this
3 paragraph, a taxpayer may determine the location
4 of the recipients of its broadcast using the
5 address of the recipient shown in its contracts
6 with the recipient or using the billing address of
7 the recipient in the taxpayer's records.

8 (iii) In the case where film or radio
9 programming is broadcast by a station, a network,
10 or a cable system for a fee or other remuneration
11 from the person providing the programming, the
12 portion of the broadcast service that is received
13 by such station, network, or cable system in this
14 State is measured by the portion of recipients of
15 the broadcast located in this State. Accordingly,
16 the amount of revenue related to such an
17 arrangement that is included in the Illinois
18 numerator of the sales factor is the total fee or
19 other total remuneration from the person providing
20 the programming related to that broadcast
21 multiplied by the Illinois audience factor for
22 that broadcast.

23 (iv) In the case where film or radio
24 programming is provided by a taxpayer that is a
25 network or station to a customer for broadcast in
26 exchange for a fee or other remuneration from that

1 customer the broadcasting service is received at
2 the location of the office of the customer from
3 which the services were ordered in the regular
4 course of the customer's trade or business.
5 Accordingly, in such a case the revenue derived by
6 the taxpayer that is included in the taxpayer's
7 Illinois numerator of the sales factor is the
8 revenue from such customers who receive the
9 broadcasting service in Illinois.

10 (v) In the case where film or radio programming
11 is provided by a taxpayer that is not a network or
12 station to another person for broadcasting in
13 exchange for a fee or other remuneration from that
14 person, the broadcasting service is received at
15 the location of the office of the customer from
16 which the services were ordered in the regular
17 course of the customer's trade or business.
18 Accordingly, in such a case the revenue derived by
19 the taxpayer that is included in the taxpayer's
20 Illinois numerator of the sales factor is the
21 revenue from such customers who receive the
22 broadcasting service in Illinois.

23 (B-8) Gross receipts from winnings under the Illinois
24 Lottery Law from the assignment of a prize under Section
25 13-1 of the Illinois Lottery Law are received in this
26 State. This paragraph (B-8) applies only to taxable years

1 ending on or after December 31, 2013.

2 (C) For taxable years ending before December 31, 2008,
3 sales, other than sales governed by paragraphs (B), (B-1),
4 ~~and~~ (B-2), and (B-8) are in this State if:

5 (i) The income-producing activity is performed in
6 this State; or

7 (ii) The income-producing activity is performed
8 both within and without this State and a greater
9 proportion of the income-producing activity is
10 performed within this State than without this State,
11 based on performance costs.

12 (C-5) For taxable years ending on or after December 31,
13 2008, sales, other than sales governed by paragraphs (B),
14 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
15 the following criteria are met:

16 (i) Sales from the sale or lease of real property
17 are in this State if the property is located in this
18 State.

19 (ii) Sales from the lease or rental of tangible
20 personal property are in this State if the property is
21 located in this State during the rental period. Sales
22 from the lease or rental of tangible personal property
23 that is characteristically moving property, including,
24 but not limited to, motor vehicles, rolling stock,
25 aircraft, vessels, or mobile equipment are in this
26 State to the extent that the property is used in this

1 State.

2 (iii) In the case of interest, net gains (but not
3 less than zero) and other items of income from
4 intangible personal property, the sale is in this State
5 if:

6 (a) in the case of a taxpayer who is a dealer
7 in the item of intangible personal property within
8 the meaning of Section 475 of the Internal Revenue
9 Code, the income or gain is received from a
10 customer in this State. For purposes of this
11 subparagraph, a customer is in this State if the
12 customer is an individual, trust or estate who is a
13 resident of this State and, for all other
14 customers, if the customer's commercial domicile
15 is in this State. Unless the dealer has actual
16 knowledge of the residence or commercial domicile
17 of a customer during a taxable year, the customer
18 shall be deemed to be a customer in this State if
19 the billing address of the customer, as shown in
20 the records of the dealer, is in this State; or

21 (b) in all other cases, if the
22 income-producing activity of the taxpayer is
23 performed in this State or, if the
24 income-producing activity of the taxpayer is
25 performed both within and without this State, if a
26 greater proportion of the income-producing

1 activity of the taxpayer is performed within this
2 State than in any other state, based on performance
3 costs.

4 (iv) Sales of services are in this State if the
5 services are received in this State. For the purposes
6 of this section, gross receipts from the performance of
7 services provided to a corporation, partnership, or
8 trust may only be attributed to a state where that
9 corporation, partnership, or trust has a fixed place of
10 business. If the state where the services are received
11 is not readily determinable or is a state where the
12 corporation, partnership, or trust receiving the
13 service does not have a fixed place of business, the
14 services shall be deemed to be received at the location
15 of the office of the customer from which the services
16 were ordered in the regular course of the customer's
17 trade or business. If the ordering office cannot be
18 determined, the services shall be deemed to be received
19 at the office of the customer to which the services are
20 billed. If the taxpayer is not taxable in the state in
21 which the services are received, the sale must be
22 excluded from both the numerator and the denominator of
23 the sales factor. The Department shall adopt rules
24 prescribing where specific types of service are
25 received, including, but not limited to, publishing,
26 and utility service.

1 (D) For taxable years ending on or after December 31,
2 1995, the following items of income shall not be included
3 in the numerator or denominator of the sales factor:
4 dividends; amounts included under Section 78 of the
5 Internal Revenue Code; and Subpart F income as defined in
6 Section 952 of the Internal Revenue Code. No inference
7 shall be drawn from the enactment of this paragraph (D) in
8 construing this Section for taxable years ending before
9 December 31, 1995.

10 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
11 ending on or after December 31, 1999, provided that a
12 taxpayer may elect to apply the provisions of these
13 paragraphs to prior tax years. Such election shall be made
14 in the form and manner prescribed by the Department, shall
15 be irrevocable, and shall apply to all tax years; provided
16 that, if a taxpayer's Illinois income tax liability for any
17 tax year, as assessed under Section 903 prior to January 1,
18 1999, was computed in a manner contrary to the provisions
19 of paragraphs (B-1) or (B-2), no refund shall be payable to
20 the taxpayer for that tax year to the extent such refund is
21 the result of applying the provisions of paragraph (B-1) or
22 (B-2) retroactively. In the case of a unitary business
23 group, such election shall apply to all members of such
24 group for every tax year such group is in existence, but
25 shall not apply to any taxpayer for any period during which
26 that taxpayer is not a member of such group.

1 (b) Insurance companies.

2 (1) In general. Except as otherwise provided by
3 paragraph (2), business income of an insurance company for
4 a taxable year shall be apportioned to this State by
5 multiplying such income by a fraction, the numerator of
6 which is the direct premiums written for insurance upon
7 property or risk in this State, and the denominator of
8 which is the direct premiums written for insurance upon
9 property or risk everywhere. For purposes of this
10 subsection, the term "direct premiums written" means the
11 total amount of direct premiums written, assessments and
12 annuity considerations as reported for the taxable year on
13 the annual statement filed by the company with the Illinois
14 Director of Insurance in the form approved by the National
15 Convention of Insurance Commissioners or such other form as
16 may be prescribed in lieu thereof.

17 (2) Reinsurance. If the principal source of premiums
18 written by an insurance company consists of premiums for
19 reinsurance accepted by it, the business income of such
20 company shall be apportioned to this State by multiplying
21 such income by a fraction, the numerator of which is the
22 sum of (i) direct premiums written for insurance upon
23 property or risk in this State, plus (ii) premiums written
24 for reinsurance accepted in respect of property or risk in
25 this State, and the denominator of which is the sum of
26 (iii) direct premiums written for insurance upon property

1 or risk everywhere, plus (iv) premiums written for
2 reinsurance accepted in respect of property or risk
3 everywhere. For purposes of this paragraph, premiums
4 written for reinsurance accepted in respect of property or
5 risk in this State, whether or not otherwise determinable,
6 may, at the election of the company, be determined on the
7 basis of the proportion which premiums written for
8 reinsurance accepted from companies commercially domiciled
9 in Illinois bears to premiums written for reinsurance
10 accepted from all sources, or, alternatively, in the
11 proportion which the sum of the direct premiums written for
12 insurance upon property or risk in this State by each
13 ceding company from which reinsurance is accepted bears to
14 the sum of the total direct premiums written by each such
15 ceding company for the taxable year. The election made by a
16 company under this paragraph for its first taxable year
17 ending on or after December 31, 2011, shall be binding for
18 that company for that taxable year and for all subsequent
19 taxable years, and may be altered only with the written
20 permission of the Department, which shall not be
21 unreasonably withheld.

22 (c) Financial organizations.

23 (1) In general. For taxable years ending before
24 December 31, 2008, business income of a financial
25 organization shall be apportioned to this State by
26 multiplying such income by a fraction, the numerator of

1 which is its business income from sources within this
2 State, and the denominator of which is its business income
3 from all sources. For the purposes of this subsection, the
4 business income of a financial organization from sources
5 within this State is the sum of the amounts referred to in
6 subparagraphs (A) through (E) following, but excluding the
7 adjusted income of an international banking facility as
8 determined in paragraph (2):

9 (A) Fees, commissions or other compensation for
10 financial services rendered within this State;

11 (B) Gross profits from trading in stocks, bonds or
12 other securities managed within this State;

13 (C) Dividends, and interest from Illinois
14 customers, which are received within this State;

15 (D) Interest charged to customers at places of
16 business maintained within this State for carrying
17 debit balances of margin accounts, without deduction
18 of any costs incurred in carrying such accounts; and

19 (E) Any other gross income resulting from the
20 operation as a financial organization within this
21 State. In computing the amounts referred to in
22 paragraphs (A) through (E) of this subsection, any
23 amount received by a member of an affiliated group
24 (determined under Section 1504(a) of the Internal
25 Revenue Code but without reference to whether any such
26 corporation is an "includible corporation" under

1 Section 1504(b) of the Internal Revenue Code) from
2 another member of such group shall be included only to
3 the extent such amount exceeds expenses of the
4 recipient directly related thereto.

5 (2) International Banking Facility. For taxable years
6 ending before December 31, 2008:

7 (A) Adjusted Income. The adjusted income of an
8 international banking facility is its income reduced
9 by the amount of the floor amount.

10 (B) Floor Amount. The floor amount shall be the
11 amount, if any, determined by multiplying the income of
12 the international banking facility by a fraction, not
13 greater than one, which is determined as follows:

14 (i) The numerator shall be:

15 The average aggregate, determined on a
16 quarterly basis, of the financial organization's
17 loans to banks in foreign countries, to foreign
18 domiciled borrowers (except where secured
19 primarily by real estate) and to foreign
20 governments and other foreign official
21 institutions, as reported for its branches,
22 agencies and offices within the state on its
23 "Consolidated Report of Condition", Schedule A,
24 Lines 2.c., 5.b., and 7.a., which was filed with
25 the Federal Deposit Insurance Corporation and
26 other regulatory authorities, for the year 1980,

1 minus

2 The average aggregate, determined on a
3 quarterly basis, of such loans (other than loans of
4 an international banking facility), as reported by
5 the financial institution for its branches,
6 agencies and offices within the state, on the
7 corresponding Schedule and lines of the
8 Consolidated Report of Condition for the current
9 taxable year, provided, however, that in no case
10 shall the amount determined in this clause (the
11 subtrahend) exceed the amount determined in the
12 preceding clause (the minuend); and

13 (ii) the denominator shall be the average
14 aggregate, determined on a quarterly basis, of the
15 international banking facility's loans to banks in
16 foreign countries, to foreign domiciled borrowers
17 (except where secured primarily by real estate)
18 and to foreign governments and other foreign
19 official institutions, which were recorded in its
20 financial accounts for the current taxable year.

21 (C) Change to Consolidated Report of Condition and
22 in Qualification. In the event the Consolidated Report
23 of Condition which is filed with the Federal Deposit
24 Insurance Corporation and other regulatory authorities
25 is altered so that the information required for
26 determining the floor amount is not found on Schedule

1 A, lines 2.c., 5.b. and 7.a., the financial institution
2 shall notify the Department and the Department may, by
3 regulations or otherwise, prescribe or authorize the
4 use of an alternative source for such information. The
5 financial institution shall also notify the Department
6 should its international banking facility fail to
7 qualify as such, in whole or in part, or should there
8 be any amendment or change to the Consolidated Report
9 of Condition, as originally filed, to the extent such
10 amendment or change alters the information used in
11 determining the floor amount.

12 (3) For taxable years ending on or after December 31,
13 2008, the business income of a financial organization shall
14 be apportioned to this State by multiplying such income by
15 a fraction, the numerator of which is its gross receipts
16 from sources in this State or otherwise attributable to
17 this State's marketplace and the denominator of which is
18 its gross receipts everywhere during the taxable year.
19 "Gross receipts" for purposes of this subparagraph (3)
20 means gross income, including net taxable gain on
21 disposition of assets, including securities and money
22 market instruments, when derived from transactions and
23 activities in the regular course of the financial
24 organization's trade or business. The following examples
25 are illustrative:

26 (i) Receipts from the lease or rental of real or

1 tangible personal property are in this State if the
2 property is located in this State during the rental
3 period. Receipts from the lease or rental of tangible
4 personal property that is characteristically moving
5 property, including, but not limited to, motor
6 vehicles, rolling stock, aircraft, vessels, or mobile
7 equipment are from sources in this State to the extent
8 that the property is used in this State.

9 (ii) Interest income, commissions, fees, gains on
10 disposition, and other receipts from assets in the
11 nature of loans that are secured primarily by real
12 estate or tangible personal property are from sources
13 in this State if the security is located in this State.

14 (iii) Interest income, commissions, fees, gains on
15 disposition, and other receipts from consumer loans
16 that are not secured by real or tangible personal
17 property are from sources in this State if the debtor
18 is a resident of this State.

19 (iv) Interest income, commissions, fees, gains on
20 disposition, and other receipts from commercial loans
21 and installment obligations that are not secured by
22 real or tangible personal property are from sources in
23 this State if the proceeds of the loan are to be
24 applied in this State. If it cannot be determined where
25 the funds are to be applied, the income and receipts
26 are from sources in this State if the office of the

1 borrower from which the loan was negotiated in the
2 regular course of business is located in this State. If
3 the location of this office cannot be determined, the
4 income and receipts shall be excluded from the
5 numerator and denominator of the sales factor.

6 (v) Interest income, fees, gains on disposition,
7 service charges, merchant discount income, and other
8 receipts from credit card receivables are from sources
9 in this State if the card charges are regularly billed
10 to a customer in this State.

11 (vi) Receipts from the performance of services,
12 including, but not limited to, fiduciary, advisory,
13 and brokerage services, are in this State if the
14 services are received in this State within the meaning
15 of subparagraph (a) (3) (C-5) (iv) of this Section.

16 (vii) Receipts from the issuance of travelers
17 checks and money orders are from sources in this State
18 if the checks and money orders are issued from a
19 location within this State.

20 (viii) Receipts from investment assets and
21 activities and trading assets and activities are
22 included in the receipts factor as follows:

23 (1) Interest, dividends, net gains (but not
24 less than zero) and other income from investment
25 assets and activities from trading assets and
26 activities shall be included in the receipts

1 factor. Investment assets and activities and
2 trading assets and activities include but are not
3 limited to: investment securities; trading account
4 assets; federal funds; securities purchased and
5 sold under agreements to resell or repurchase;
6 options; futures contracts; forward contracts;
7 notional principal contracts such as swaps;
8 equities; and foreign currency transactions. With
9 respect to the investment and trading assets and
10 activities described in subparagraphs (A) and (B)
11 of this paragraph, the receipts factor shall
12 include the amounts described in such
13 subparagraphs.

14 (A) The receipts factor shall include the
15 amount by which interest from federal funds
16 sold and securities purchased under resale
17 agreements exceeds interest expense on federal
18 funds purchased and securities sold under
19 repurchase agreements.

20 (B) The receipts factor shall include the
21 amount by which interest, dividends, gains and
22 other income from trading assets and
23 activities, including but not limited to
24 assets and activities in the matched book, in
25 the arbitrage book, and foreign currency
26 transactions, exceed amounts paid in lieu of

1 interest, amounts paid in lieu of dividends,
2 and losses from such assets and activities.

3 (2) The numerator of the receipts factor
4 includes interest, dividends, net gains (but not
5 less than zero), and other income from investment
6 assets and activities and from trading assets and
7 activities described in paragraph (1) of this
8 subsection that are attributable to this State.

9 (A) The amount of interest, dividends, net
10 gains (but not less than zero), and other
11 income from investment assets and activities
12 in the investment account to be attributed to
13 this State and included in the numerator is
14 determined by multiplying all such income from
15 such assets and activities by a fraction, the
16 numerator of which is the gross income from
17 such assets and activities which are properly
18 assigned to a fixed place of business of the
19 taxpayer within this State and the denominator
20 of which is the gross income from all such
21 assets and activities.

22 (B) The amount of interest from federal
23 funds sold and purchased and from securities
24 purchased under resale agreements and
25 securities sold under repurchase agreements
26 attributable to this State and included in the

1 numerator is determined by multiplying the
2 amount described in subparagraph (A) of
3 paragraph (1) of this subsection from such
4 funds and such securities by a fraction, the
5 numerator of which is the gross income from
6 such funds and such securities which are
7 properly assigned to a fixed place of business
8 of the taxpayer within this State and the
9 denominator of which is the gross income from
10 all such funds and such securities.

11 (C) The amount of interest, dividends,
12 gains, and other income from trading assets and
13 activities, including but not limited to
14 assets and activities in the matched book, in
15 the arbitrage book and foreign currency
16 transactions (but excluding amounts described
17 in subparagraphs (A) or (B) of this paragraph),
18 attributable to this State and included in the
19 numerator is determined by multiplying the
20 amount described in subparagraph (B) of
21 paragraph (1) of this subsection by a fraction,
22 the numerator of which is the gross income from
23 such trading assets and activities which are
24 properly assigned to a fixed place of business
25 of the taxpayer within this State and the
26 denominator of which is the gross income from

1 all such assets and activities.

2 (D) Properly assigned, for purposes of
3 this paragraph (2) of this subsection, means
4 the investment or trading asset or activity is
5 assigned to the fixed place of business with
6 which it has a preponderance of substantive
7 contacts. An investment or trading asset or
8 activity assigned by the taxpayer to a fixed
9 place of business without the State shall be
10 presumed to have been properly assigned if:

11 (i) the taxpayer has assigned, in the
12 regular course of its business, such asset
13 or activity on its records to a fixed place
14 of business consistent with federal or
15 state regulatory requirements;

16 (ii) such assignment on its records is
17 based upon substantive contacts of the
18 asset or activity to such fixed place of
19 business; and

20 (iii) the taxpayer uses such records
21 reflecting assignment of such assets or
22 activities for the filing of all state and
23 local tax returns for which an assignment
24 of such assets or activities to a fixed
25 place of business is required.

26 (E) The presumption of proper assignment

1 of an investment or trading asset or activity
2 provided in subparagraph (D) of paragraph (2)
3 of this subsection may be rebutted upon a
4 showing by the Department, supported by a
5 preponderance of the evidence, that the
6 preponderance of substantive contacts
7 regarding such asset or activity did not occur
8 at the fixed place of business to which it was
9 assigned on the taxpayer's records. If the
10 fixed place of business that has a
11 preponderance of substantive contacts cannot
12 be determined for an investment or trading
13 asset or activity to which the presumption in
14 subparagraph (D) of paragraph (2) of this
15 subsection does not apply or with respect to
16 which that presumption has been rebutted, that
17 asset or activity is properly assigned to the
18 state in which the taxpayer's commercial
19 domicile is located. For purposes of this
20 subparagraph (E), it shall be presumed,
21 subject to rebuttal, that taxpayer's
22 commercial domicile is in the state of the
23 United States or the District of Columbia to
24 which the greatest number of employees are
25 regularly connected with the management of the
26 investment or trading income or out of which

1 they are working, irrespective of where the
2 services of such employees are performed, as of
3 the last day of the taxable year.

4 (4) (Blank).

5 (5) (Blank).

6 (c-1) Federally regulated exchanges. For taxable years
7 ending on or after December 31, 2012, business income of a
8 federally regulated exchange shall, at the option of the
9 federally regulated exchange, be apportioned to this State by
10 multiplying such income by a fraction, the numerator of which
11 is its business income from sources within this State, and the
12 denominator of which is its business income from all sources.
13 For purposes of this subsection, the business income within
14 this State of a federally regulated exchange is the sum of the
15 following:

16 (1) Receipts attributable to transactions executed on
17 a physical trading floor if that physical trading floor is
18 located in this State.

19 (2) Receipts attributable to all other matching,
20 execution, or clearing transactions, including without
21 limitation receipts from the provision of matching,
22 execution, or clearing services to another entity,
23 multiplied by (i) for taxable years ending on or after
24 December 31, 2012 but before December 31, 2013, 63.77%; and
25 (ii) for taxable years ending on or after December 31,
26 2013, 27.54%.

1 (3) All other receipts not governed by subparagraphs
2 (1) or (2) of this subsection (c-1), to the extent the
3 receipts would be characterized as "sales in this State"
4 under item (3) of subsection (a) of this Section.

5 "Federally regulated exchange" means (i) a "registered
6 entity" within the meaning of 7 U.S.C. Section 1a(40)(A), (B),
7 or (C), (ii) an "exchange" or "clearing agency" within the
8 meaning of 15 U.S.C. Section 78c (a)(1) or (23), (iii) any such
9 entities regulated under any successor regulatory structure to
10 the foregoing, and (iv) all taxpayers who are members of the
11 same unitary business group as a federally regulated exchange,
12 determined without regard to the prohibition in Section
13 1501(a)(27) of this Act against including in a unitary business
14 group taxpayers who are ordinarily required to apportion
15 business income under different subsections of this Section;
16 provided that this subparagraph (iv) shall apply only if 50% or
17 more of the business receipts of the unitary business group
18 determined by application of this subparagraph (iv) for the
19 taxable year are attributable to the matching, execution, or
20 clearing of transactions conducted by an entity described in
21 subparagraph (i), (ii), or (iii) of this paragraph.

22 In no event shall the Illinois apportionment percentage
23 computed in accordance with this subsection (c-1) for any
24 taxpayer for any tax year be less than the Illinois
25 apportionment percentage computed under this subsection (c-1)
26 for that taxpayer for the first full tax year ending on or

1 after December 31, 2013 for which this subsection (c-1) applied
2 to the taxpayer.

3 (d) Transportation services. For taxable years ending
4 before December 31, 2008, business income derived from
5 furnishing transportation services shall be apportioned to
6 this State in accordance with paragraphs (1) and (2):

7 (1) Such business income (other than that derived from
8 transportation by pipeline) shall be apportioned to this
9 State by multiplying such income by a fraction, the
10 numerator of which is the revenue miles of the person in
11 this State, and the denominator of which is the revenue
12 miles of the person everywhere. For purposes of this
13 paragraph, a revenue mile is the transportation of 1
14 passenger or 1 net ton of freight the distance of 1 mile
15 for a consideration. Where a person is engaged in the
16 transportation of both passengers and freight, the
17 fraction above referred to shall be determined by means of
18 an average of the passenger revenue mile fraction and the
19 freight revenue mile fraction, weighted to reflect the
20 person's

21 (A) relative railway operating income from total
22 passenger and total freight service, as reported to the
23 Interstate Commerce Commission, in the case of
24 transportation by railroad, and

25 (B) relative gross receipts from passenger and
26 freight transportation, in case of transportation

1 other than by railroad.

2 (2) Such business income derived from transportation
3 by pipeline shall be apportioned to this State by
4 multiplying such income by a fraction, the numerator of
5 which is the revenue miles of the person in this State, and
6 the denominator of which is the revenue miles of the person
7 everywhere. For the purposes of this paragraph, a revenue
8 mile is the transportation by pipeline of 1 barrel of oil,
9 1,000 cubic feet of gas, or of any specified quantity of
10 any other substance, the distance of 1 mile for a
11 consideration.

12 (3) For taxable years ending on or after December 31,
13 2008, business income derived from providing
14 transportation services other than airline services shall
15 be apportioned to this State by using a fraction, (a) the
16 numerator of which shall be (i) all receipts from any
17 movement or shipment of people, goods, mail, oil, gas, or
18 any other substance (other than by airline) that both
19 originates and terminates in this State, plus (ii) that
20 portion of the person's gross receipts from movements or
21 shipments of people, goods, mail, oil, gas, or any other
22 substance (other than by airline) that originates in one
23 state or jurisdiction and terminates in another state or
24 jurisdiction, that is determined by the ratio that the
25 miles traveled in this State bears to total miles
26 everywhere and (b) the denominator of which shall be all

1 revenue derived from the movement or shipment of people,
2 goods, mail, oil, gas, or any other substance (other than
3 by airline). Where a taxpayer is engaged in the
4 transportation of both passengers and freight, the
5 fraction above referred to shall first be determined
6 separately for passenger miles and freight miles. Then an
7 average of the passenger miles fraction and the freight
8 miles fraction shall be weighted to reflect the taxpayer's:

9 (A) relative railway operating income from total
10 passenger and total freight service, as reported to the
11 Surface Transportation Board, in the case of
12 transportation by railroad; and

13 (B) relative gross receipts from passenger and
14 freight transportation, in case of transportation
15 other than by railroad.

16 (4) For taxable years ending on or after December 31,
17 2008, business income derived from furnishing airline
18 transportation services shall be apportioned to this State
19 by multiplying such income by a fraction, the numerator of
20 which is the revenue miles of the person in this State, and
21 the denominator of which is the revenue miles of the person
22 everywhere. For purposes of this paragraph, a revenue mile
23 is the transportation of one passenger or one net ton of
24 freight the distance of one mile for a consideration. If a
25 person is engaged in the transportation of both passengers
26 and freight, the fraction above referred to shall be

1 determined by means of an average of the passenger revenue
2 mile fraction and the freight revenue mile fraction,
3 weighted to reflect the person's relative gross receipts
4 from passenger and freight airline transportation.

5 (e) Combined apportionment. Where 2 or more persons are
6 engaged in a unitary business as described in subsection
7 (a) (27) of Section 1501, a part of which is conducted in this
8 State by one or more members of the group, the business income
9 attributable to this State by any such member or members shall
10 be apportioned by means of the combined apportionment method.

11 (f) Alternative allocation. If the allocation and
12 apportionment provisions of subsections (a) through (e) and of
13 subsection (h) do not fairly represent the extent of a person's
14 business activity in this State, the person may petition for,
15 or the Director may, without a petition, permit or require, in
16 respect of all or any part of the person's business activity,
17 if reasonable:

18 (1) Separate accounting;

19 (2) The exclusion of any one or more factors;

20 (3) The inclusion of one or more additional factors
21 which will fairly represent the person's business
22 activities in this State; or

23 (4) The employment of any other method to effectuate an
24 equitable allocation and apportionment of the person's
25 business income.

26 (g) Cross reference. For allocation of business income by

1 residents, see Section 301(a).

2 (h) For tax years ending on or after December 31, 1998, the
3 apportionment factor of persons who apportion their business
4 income to this State under subsection (a) shall be equal to:

5 (1) for tax years ending on or after December 31, 1998
6 and before December 31, 1999, 16 2/3% of the property
7 factor plus 16 2/3% of the payroll factor plus 66 2/3% of
8 the sales factor;

9 (2) for tax years ending on or after December 31, 1999
10 and before December 31, 2000, 8 1/3% of the property factor
11 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales
12 factor;

13 (3) for tax years ending on or after December 31, 2000,
14 the sales factor.

15 If, in any tax year ending on or after December 31, 1998 and
16 before December 31, 2000, the denominator of the payroll,
17 property, or sales factor is zero, the apportionment factor
18 computed in paragraph (1) or (2) of this subsection for that
19 year shall be divided by an amount equal to 100% minus the
20 percentage weight given to each factor whose denominator is
21 equal to zero.

22 (Source: P.A. 96-763, eff. 8-25-09; 97-507, eff. 8-23-11;
23 97-636, eff. 6-1-12.)

24 (35 ILCS 5/701) (from Ch. 120, par. 7-701)

25 Sec. 701. Requirement and Amount of Withholding.

1 (a) In General. Every employer maintaining an office or
2 transacting business within this State and required under the
3 provisions of the Internal Revenue Code to withhold a tax on:

4 (1) compensation paid in this State (as determined
5 under Section 304(a)(2)(B) to an individual; or

6 (2) payments described in subsection (b) shall deduct
7 and withhold from such compensation for each payroll period
8 (as defined in Section 3401 of the Internal Revenue Code)
9 an amount equal to the amount by which such individual's
10 compensation exceeds the proportionate part of this
11 withholding exemption (computed as provided in Section
12 702) attributable to the payroll period for which such
13 compensation is payable multiplied by a percentage equal to
14 the percentage tax rate for individuals provided in
15 subsection (b) of Section 201.

16 (b) Payment to Residents. Any payment (including
17 compensation, but not including a payment from which
18 withholding is required under Section 710 of this Act) to a
19 resident by a payor maintaining an office or transacting
20 business within this State (including any agency, officer, or
21 employee of this State or of any political subdivision of this
22 State) and on which withholding of tax is required under the
23 provisions of the Internal Revenue Code shall be deemed to be
24 compensation paid in this State by an employer to an employee
25 for the purposes of Article 7 and Section 601(b)(1) to the
26 extent such payment is included in the recipient's base income

1 and not subjected to withholding by another state.
2 Notwithstanding any other provision to the contrary, no amount
3 shall be withheld from unemployment insurance benefit payments
4 made to an individual pursuant to the Unemployment Insurance
5 Act unless the individual has voluntarily elected the
6 withholding pursuant to rules promulgated by the Director of
7 Employment Security.

8 (c) Special Definitions. Withholding shall be considered
9 required under the provisions of the Internal Revenue Code to
10 the extent the Internal Revenue Code either requires
11 withholding or allows for voluntary withholding the payor and
12 recipient have entered into such a voluntary withholding
13 agreement. For the purposes of Article 7 and Section 1002(c)
14 the term "employer" includes any payor who is required to
15 withhold tax pursuant to this Section.

16 (d) Reciprocal Exemption. The Director may enter into an
17 agreement with the taxing authorities of any state which
18 imposes a tax on or measured by income to provide that
19 compensation paid in such state to residents of this State
20 shall be exempt from withholding of such tax; in such case, any
21 compensation paid in this State to residents of such state
22 shall be exempt from withholding. All reciprocal agreements
23 shall be subject to the requirements of Section 2505-575 of the
24 Department of Revenue Law (20 ILCS 2505/2505-575).

25 (e) Notwithstanding subsection (a)(2) of this Section, no
26 withholding is required on payments for which withholding is

1 required under Section 3405 or 3406 of the Internal Revenue
2 Code.

3 (Source: P.A. 97-507, eff. 8-23-11.)

4 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

5 Sec. 710. Withholding from lottery winnings. (a) In
6 General.

7 (1) Any person making a payment to a resident or
8 nonresident of winnings under the Illinois Lottery Law and
9 not required to withhold Illinois income tax from such
10 payment under Subsection (b) of Section 701 of this Act
11 because those winnings are not subject to Federal income
12 tax withholding, must withhold Illinois income tax from
13 such payment at a rate equal to the percentage tax rate for
14 individuals provided in subsection (b) of Section 201,
15 provided that withholding is not required if such payment
16 of winnings is less than \$1,000.

17 (2) In the case of an assignment of a lottery prize
18 under Section 13.1 of the Illinois Lottery Law, any person
19 making a payment of the purchase price after December 31,
20 2013, shall withhold from the amount of each payment at a
21 rate equal to the percentage tax rate for individuals
22 provided in subsection (b) of Section 201.

23 (b) Credit for taxes withheld. Any amount withheld under
24 Subsection (a) shall be a credit against the Illinois income
25 tax liability of the person to whom the payment of winnings was

1 made for the taxable year in which that person incurred an
2 Illinois income tax liability with respect to those winnings.

3 (Source: P.A. 85-731.)

4 (35 ILCS 5/905) (from Ch. 120, par. 9-905)

5 Sec. 905. Limitations on Notices of Deficiency.

6 (a) In general. Except as otherwise provided in this Act:

7 (1) A notice of deficiency shall be issued not later
8 than 3 years after the date the return was filed, and

9 (2) No deficiency shall be assessed or collected with
10 respect to the year for which the return was filed unless
11 such notice is issued within such period.

12 (b) Substantial omission of items.

13 (1) Omission of more than 25% of income. If the
14 taxpayer omits from base income an amount properly
15 includible therein which is in excess of 25% of the amount
16 of base income stated in the return, a notice of deficiency
17 may be issued not later than 6 years after the return was
18 filed. For purposes of this paragraph, there shall not be
19 taken into account any amount which is omitted in the
20 return if such amount is disclosed in the return, or in a
21 statement attached to the return, in a manner adequate to
22 apprise the Department of the nature and the amount of such
23 item.

24 (2) Reportable transactions. If a taxpayer fails to
25 include on any return or statement for any taxable year any

1 information with respect to a reportable transaction, as
2 required under Section 501(b) of this Act, a notice of
3 deficiency may be issued not later than 6 years after the
4 return is filed with respect to the taxable year in which
5 the taxpayer participated in the reportable transaction
6 and said deficiency is limited to the non-disclosed item.

7 (3) Withholding. If an employer omits from a return
8 required under Section 704A of this Act for any period
9 beginning on or after January 1, 2013, an amount required
10 to be withheld and to be reported on that return which is
11 in excess of 25% of the total amount of withholding
12 required to be reported on that return, a notice of
13 deficiency may be issued not later than 6 years after the
14 return was filed.

15 (c) No return or fraudulent return. If no return is filed
16 or a false and fraudulent return is filed with intent to evade
17 the tax imposed by this Act, a notice of deficiency may be
18 issued at any time. For purposes of this subsection (c), any
19 taxpayer who is required to join in the filing of a return
20 filed under the provisions of subsection (e) of Section 502 of
21 this Act for a taxable year ending on or after December 31,
22 2013 and who is not included on that return and does not file
23 its own return for that taxable year shall be deemed to have
24 failed to file a return; provided that the amount of any
25 proposed assessment set forth in a notice of deficiency issued
26 under this subsection (c) shall be limited to the amount of any

1 increase in liability under this Act that should have reported
2 on the return required under the provisions of subsection (e)
3 of Section 502 of this Act for that taxable year resulting from
4 proper inclusion of that taxpayer on that return.

5 (d) Failure to report federal change. If a taxpayer fails
6 to notify the Department in any case where notification is
7 required by Section 304(c) or 506(b), or fails to report a
8 change or correction which is treated in the same manner as if
9 it were a deficiency for federal income tax purposes, a notice
10 of deficiency may be issued (i) at any time or (ii) on or after
11 August 13, 1999, at any time for the taxable year for which the
12 notification is required or for any taxable year to which the
13 taxpayer may carry an Article 2 credit, or a Section 207 loss,
14 earned, incurred, or used in the year for which the
15 notification is required; provided, however, that the amount of
16 any proposed assessment set forth in the notice shall be
17 limited to the amount of any deficiency resulting under this
18 Act from the recomputation of the taxpayer's net income,
19 Article 2 credits, or Section 207 loss earned, incurred, or
20 used in the taxable year for which the notification is required
21 after giving effect to the item or items required to be
22 reported.

23 (e) Report of federal change.

24 (1) Before August 13, 1999, in any case where
25 notification of an alteration is given as required by
26 Section 506(b), a notice of deficiency may be issued at any

1 time within 2 years after the date such notification is
2 given, provided, however, that the amount of any proposed
3 assessment set forth in such notice shall be limited to the
4 amount of any deficiency resulting under this Act from
5 recomputation of the taxpayer's net income, net loss, or
6 Article 2 credits for the taxable year after giving effect
7 to the item or items reflected in the reported alteration.

8 (2) On and after August 13, 1999, in any case where
9 notification of an alteration is given as required by
10 Section 506(b), a notice of deficiency may be issued at any
11 time within 2 years after the date such notification is
12 given for the taxable year for which the notification is
13 given or for any taxable year to which the taxpayer may
14 carry an Article 2 credit, or a Section 207 loss, earned,
15 incurred, or used in the year for which the notification is
16 given, provided, however, that the amount of any proposed
17 assessment set forth in such notice shall be limited to the
18 amount of any deficiency resulting under this Act from
19 recomputation of the taxpayer's net income, Article 2
20 credits, or Section 207 loss earned, incurred, or used in
21 the taxable year for which the notification is given after
22 giving effect to the item or items reflected in the
23 reported alteration.

24 (f) Extension by agreement. Where, before the expiration of
25 the time prescribed in this Section for the issuance of a
26 notice of deficiency, both the Department and the taxpayer

1 shall have consented in writing to its issuance after such
2 time, such notice may be issued at any time prior to the
3 expiration of the period agreed upon. In the case of a taxpayer
4 who is a partnership, Subchapter S corporation, or trust and
5 who enters into an agreement with the Department pursuant to
6 this subsection on or after January 1, 2003, a notice of
7 deficiency may be issued to the partners, shareholders, or
8 beneficiaries of the taxpayer at any time prior to the
9 expiration of the period agreed upon. Any proposed assessment
10 set forth in the notice, however, shall be limited to the
11 amount of any deficiency resulting under this Act from
12 recomputation of items of income, deduction, credits, or other
13 amounts of the taxpayer that are taken into account by the
14 partner, shareholder, or beneficiary in computing its
15 liability under this Act. The period so agreed upon may be
16 extended by subsequent agreements in writing made before the
17 expiration of the period previously agreed upon.

18 (g) Erroneous refunds. In any case in which there has been
19 an erroneous refund of tax payable under this Act, a notice of
20 deficiency may be issued at any time within 2 years from the
21 making of such refund, or within 5 years from the making of
22 such refund if it appears that any part of the refund was
23 induced by fraud or the misrepresentation of a material fact,
24 provided, however, that the amount of any proposed assessment
25 set forth in such notice shall be limited to the amount of such
26 erroneous refund.

1 Beginning July 1, 1993, in any case in which there has been
2 a refund of tax payable under this Act attributable to a net
3 loss carryback as provided for in Section 207, and that refund
4 is subsequently determined to be an erroneous refund due to a
5 reduction in the amount of the net loss which was originally
6 carried back, a notice of deficiency for the erroneous refund
7 amount may be issued at any time during the same time period in
8 which a notice of deficiency can be issued on the loss year
9 creating the carryback amount and subsequent erroneous refund.
10 The amount of any proposed assessment set forth in the notice
11 shall be limited to the amount of such erroneous refund.

12 (h) Time return deemed filed. For purposes of this Section
13 a tax return filed before the last day prescribed by law
14 (including any extension thereof) shall be deemed to have been
15 filed on such last day.

16 (i) Request for prompt determination of liability. For
17 purposes of subsection (a)(1), in the case of a tax return
18 required under this Act in respect of a decedent, or by his
19 estate during the period of administration, or by a
20 corporation, the period referred to in such Subsection shall be
21 18 months after a written request for prompt determination of
22 liability is filed with the Department (at such time and in
23 such form and manner as the Department shall by regulations
24 prescribe) by the executor, administrator, or other fiduciary
25 representing the estate of such decedent, or by such
26 corporation, but not more than 3 years after the date the

1 return was filed. This subsection shall not apply in the case
2 of a corporation unless:

3 (1) (A) such written request notifies the Department
4 that the corporation contemplates dissolution at or before
5 the expiration of such 18-month period, (B) the dissolution
6 is begun in good faith before the expiration of such
7 18-month period, and (C) the dissolution is completed;

8 (2) (A) such written request notifies the Department
9 that a dissolution has in good faith been begun, and (B)
10 the dissolution is completed; or

11 (3) a dissolution has been completed at the time such
12 written request is made.

13 (j) Withholding tax. In the case of returns required under
14 Article 7 of this Act (with respect to any amounts withheld as
15 tax or any amounts required to have been withheld as tax) a
16 notice of deficiency shall be issued not later than 3 years
17 after the 15th day of the 4th month following the close of the
18 calendar year in which such withholding was required.

19 (k) Penalties for failure to make information reports. A
20 notice of deficiency for the penalties provided by Subsection
21 1405.1(c) of this Act may not be issued more than 3 years after
22 the due date of the reports with respect to which the penalties
23 are asserted.

24 (l) Penalty for failure to file withholding returns. A
25 notice of deficiency for penalties provided by Section 1004 of
26 this Act for taxpayer's failure to file withholding returns may

1 not be issued more than three years after the 15th day of the
2 4th month following the close of the calendar year in which the
3 withholding giving rise to taxpayer's obligation to file those
4 returns occurred.

5 (m) Transferee liability. A notice of deficiency may be
6 issued to a transferee relative to a liability asserted under
7 Section 1405 during time periods defined as follows:

8 1) Initial Transferee. In the case of the liability of
9 an initial transferee, up to 2 years after the expiration
10 of the period of limitation for assessment against the
11 transferor, except that if a court proceeding for review of
12 the assessment against the transferor has begun, then up to
13 2 years after the return of the certified copy of the
14 judgment in the court proceeding.

15 2) Transferee of Transferee. In the case of the
16 liability of a transferee, up to 2 years after the
17 expiration of the period of limitation for assessment
18 against the preceding transferee, but not more than 3 years
19 after the expiration of the period of limitation for
20 assessment against the initial transferor; except that if,
21 before the expiration of the period of limitation for the
22 assessment of the liability of the transferee, a court
23 proceeding for the collection of the tax or liability in
24 respect thereof has been begun against the initial
25 transferor or the last preceding transferee, as the case
26 may be, then the period of limitation for assessment of the

1 liability of the transferee shall expire 2 years after the
2 return of the certified copy of the judgment in the court
3 proceeding.

4 (n) Notice of decrease in net loss. On and after August 23,
5 2002, no notice of deficiency shall be issued as the result of
6 a decrease determined by the Department in the net loss
7 incurred by a taxpayer in any taxable year ending prior to
8 December 31, 2002 under Section 207 of this Act unless the
9 Department has notified the taxpayer of the proposed decrease
10 within 3 years after the return reporting the loss was filed or
11 within one year after an amended return reporting an increase
12 in the loss was filed, provided that in the case of an amended
13 return, a decrease proposed by the Department more than 3 years
14 after the original return was filed may not exceed the increase
15 claimed by the taxpayer on the original return.

16 (Source: P.A. 93-840, eff. 7-30-04; 94-836, eff. 6-6-06.)

17 Section 25. The Use Tax Act is amended by changing Section
18 9 as follows:

19 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

20 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
21 and trailers that are required to be registered with an agency
22 of this State, each retailer required or authorized to collect
23 the tax imposed by this Act shall pay to the Department the
24 amount of such tax (except as otherwise provided) at the time

1 when he is required to file his return for the period during
2 which such tax was collected, less a discount of 2.1% prior to
3 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
4 per calendar year, whichever is greater, which is allowed to
5 reimburse the retailer for expenses incurred in collecting the
6 tax, keeping records, preparing and filing returns, remitting
7 the tax and supplying data to the Department on request. In the
8 case of retailers who report and pay the tax on a transaction
9 by transaction basis, as provided in this Section, such
10 discount shall be taken with each such tax remittance instead
11 of when such retailer files his periodic return. The Department
12 may disallow the discount for retailers whose certificate of
13 registration is revoked at the time the return is filed, but
14 only if the Department's decision to revoke the certificate of
15 registration has become final. A retailer need not remit that
16 part of any tax collected by him to the extent that he is
17 required to remit and does remit the tax imposed by the
18 Retailers' Occupation Tax Act, with respect to the sale of the
19 same property.

20 Where such tangible personal property is sold under a
21 conditional sales contract, or under any other form of sale
22 wherein the payment of the principal sum, or a part thereof, is
23 extended beyond the close of the period for which the return is
24 filed, the retailer, in collecting the tax (except as to motor
25 vehicles, watercraft, aircraft, and trailers that are required
26 to be registered with an agency of this State), may collect for

1 each tax return period, only the tax applicable to that part of
2 the selling price actually received during such tax return
3 period.

4 Except as provided in this Section, on or before the
5 twentieth day of each calendar month, such retailer shall file
6 a return for the preceding calendar month. Such return shall be
7 filed on forms prescribed by the Department and shall furnish
8 such information as the Department may reasonably require.

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

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

- 1 5. The amount of tax due;
- 2 5-5. The signature of the taxpayer; and
- 3 6. Such other reasonable information as the Department
- 4 may require.

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

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

1 State and local occupation and use tax laws administered by the
2 Department, for the immediately preceding calendar year
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has
4 a tax liability in the amount set forth in subsection (b) of
5 Section 2505-210 of the Department of Revenue Law shall make
6 all payments required by rules of the Department by electronic
7 funds transfer.

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

13 Any taxpayer not required to make payments by electronic
14 funds transfer may make payments by electronic funds transfer
15 with the permission of the Department.

16 All taxpayers required to make payment by electronic funds
17 transfer and any taxpayers authorized to voluntarily make
18 payments by electronic funds transfer shall make those payments
19 in the manner authorized by the Department.

20 The Department shall adopt such rules as are necessary to
21 effectuate a program of electronic funds transfer and the
22 requirements of this Section.

23 Before October 1, 2000, if the taxpayer's average monthly
24 tax liability to the Department under this Act, the Retailers'
25 Occupation Tax Act, the Service Occupation Tax Act, the Service
26 Use Tax Act was \$10,000 or more during the preceding 4 complete

1 calendar quarters, he shall file a return with the Department
2 each month by the 20th day of the month next following the
3 month during which such tax liability is incurred and shall
4 make payments to the Department on or before the 7th, 15th,
5 22nd and last day of the month during which such liability is
6 incurred. On and after October 1, 2000, if the taxpayer's
7 average monthly tax liability to the Department under this Act,
8 the Retailers' Occupation Tax Act, the Service Occupation Tax
9 Act, and the Service Use Tax Act was \$20,000 or more during the
10 preceding 4 complete calendar quarters, he shall file a return
11 with the Department each month by the 20th day of the month
12 next following the month during which such tax liability is
13 incurred and shall make payment to the Department on or before
14 the 7th, 15th, 22nd and last day of the month during which such
15 liability is incurred. If the month during which such tax
16 liability is incurred began prior to January 1, 1985, each
17 payment shall be in an amount equal to 1/4 of the taxpayer's
18 actual liability for the month or an amount set by the
19 Department not to exceed 1/4 of the average monthly liability
20 of the taxpayer to the Department for the preceding 4 complete
21 calendar quarters (excluding the month of highest liability and
22 the month of lowest liability in such 4 quarter period). If the
23 month during which such tax liability is incurred begins on or
24 after January 1, 1985, and prior to January 1, 1987, each
25 payment shall be in an amount equal to 22.5% of the taxpayer's
26 actual liability for the month or 27.5% of the taxpayer's

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

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

1 seasonal in nature and not likely to be long term. If any such
2 quarter monthly payment is not paid at the time or in the
3 amount required by this Section, then the taxpayer shall be
4 liable for penalties and interest on the difference between the
5 minimum amount due and the amount of such quarter monthly
6 payment actually and timely paid, except insofar as the
7 taxpayer has previously made payments for that month to the
8 Department in excess of the minimum payments previously due as
9 provided in this Section. The Department shall make reasonable
10 rules and regulations to govern the quarter monthly payment
11 amount and quarter monthly payment dates for taxpayers who file
12 on other than a calendar monthly basis.

13 If any such payment provided for in this Section exceeds
14 the taxpayer's liabilities under this Act, the Retailers'
15 Occupation Tax Act, the Service Occupation Tax Act and the
16 Service Use Tax Act, as shown by an original monthly return,
17 the Department shall issue to the taxpayer a credit memorandum
18 no later than 30 days after the date of payment, which
19 memorandum may be submitted by the taxpayer to the Department
20 in payment of tax liability subsequently to be remitted by the
21 taxpayer to the Department or be assigned by the taxpayer to a
22 similar taxpayer under this Act, the Retailers' Occupation Tax
23 Act, the Service Occupation Tax Act or the Service Use Tax Act,
24 in accordance with reasonable rules and regulations to be
25 prescribed by the Department, except that if such excess
26 payment is shown on an original monthly return and is made

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

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

25 If the retailer is otherwise required to file a monthly or
26 quarterly return and if the retailer's average monthly tax

1 liability to the Department does not exceed \$50, the Department
2 may authorize his returns to be filed on an annual basis, with
3 the return for a given year being due by January 20 of the
4 following year.

5 Such quarter annual and annual returns, as to form and
6 substance, shall be subject to the same requirements as monthly
7 returns.

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

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

1 vehicles, or trailers transfers more than one aircraft,
2 watercraft, motor vehicle, or trailer to a purchaser for use as
3 a qualifying rolling stock as provided in Section 3-55 of this
4 Act, then that seller may report the transfer of all the
5 aircraft, watercraft, motor vehicles or trailers involved in
6 that transaction to the Department on the same uniform
7 invoice-transaction reporting return form. For purposes of
8 this Section, "watercraft" means a Class 2, Class 3, or Class 4
9 watercraft as defined in Section 3-2 of the Boat Registration
10 and Safety Act, a personal watercraft, or any boat equipped
11 with an inboard motor.

12 The transaction reporting return in the case of motor
13 vehicles or trailers that are required to be registered with an
14 agency of this State, shall be the same document as the Uniform
15 Invoice referred to in Section 5-402 of the Illinois Vehicle
16 Code and must show the name and address of the seller; the name
17 and address of the purchaser; the amount of the selling price
18 including the amount allowed by the retailer for traded-in
19 property, if any; the amount allowed by the retailer for the
20 traded-in tangible personal property, if any, to the extent to
21 which Section 2 of this Act allows an exemption for the value
22 of traded-in property; the balance payable after deducting such
23 trade-in allowance from the total selling price; the amount of
24 tax due from the retailer with respect to such transaction; the
25 amount of tax collected from the purchaser by the retailer on
26 such transaction (or satisfactory evidence that such tax is not

1 due in that particular instance, if that is claimed to be the
2 fact); the place and date of the sale; a sufficient
3 identification of the property sold; such other information as
4 is required in Section 5-402 of the Illinois Vehicle Code, and
5 such other information as the Department may reasonably
6 require.

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

23 Such transaction reporting return shall be filed not later
24 than 20 days after the date of delivery of the item that is
25 being sold, but may be filed by the retailer at any time sooner
26 than that if he chooses to do so. The transaction reporting

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

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

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

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

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

22 Where a retailer collects the tax with respect to the
23 selling price of tangible personal property which he sells and
24 the purchaser thereafter returns such tangible personal
25 property and the retailer refunds the selling price thereof to
26 the purchaser, such retailer shall also refund, to the

1 purchaser, the tax so collected from the purchaser. When filing
2 his return for the period in which he refunds such tax to the
3 purchaser, the retailer may deduct the amount of the tax so
4 refunded by him to the purchaser from any other use tax which
5 such retailer may be required to pay or remit to the
6 Department, as shown by such return, if the amount of the tax
7 to be deducted was previously remitted to the Department by
8 such retailer. If the retailer has not previously remitted the
9 amount of such tax to the Department, he is entitled to no
10 deduction under this Act upon refunding such tax to the
11 purchaser.

12 Any retailer filing a return under this Section shall also
13 include (for the purpose of paying tax thereon) the total tax
14 covered by such return upon the selling price of tangible
15 personal property purchased by him at retail from a retailer,
16 but as to which the tax imposed by this Act was not collected
17 from the retailer filing such return, and such retailer shall
18 remit the amount of such tax to the Department when filing such
19 return.

20 If experience indicates such action to be practicable, the
21 Department may prescribe and furnish a combination or joint
22 return which will enable retailers, who are required to file
23 returns hereunder and also under the Retailers' Occupation Tax
24 Act, to furnish all the return information required by both
25 Acts on the one form.

26 Where the retailer has more than one business registered

1 with the Department under separate registration under this Act,
2 such retailer may not file each return that is due as a single
3 return covering all such registered businesses, but shall file
4 separate returns for each such registered business.

5 Beginning January 1, 1990, each month the Department shall
6 pay into the State and Local Sales Tax Reform Fund, a special
7 fund in the State Treasury which is hereby created, the net
8 revenue realized for the preceding month from the 1% tax on
9 sales of food for human consumption which is to be consumed off
10 the premises where it is sold (other than alcoholic beverages,
11 soft drinks and food which 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.

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

22 Beginning January 1, 1990, each month the Department shall
23 pay into the State and Local Sales Tax Reform Fund, a special
24 fund in the State Treasury, 20% of the net revenue realized for
25 the preceding month from the 6.25% general rate on the selling
26 price of tangible personal property, other than tangible

1 personal property which is purchased outside Illinois at retail
2 from a retailer and which is titled or registered by an agency
3 of this State's government.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the State and Local Sales Tax Reform Fund 100% of the
6 net revenue realized for the preceding month from the 1.25%
7 rate on the selling price of motor fuel and gasohol. Beginning
8 September 1, 2010, each month the Department shall pay into the
9 State and Local Sales Tax Reform Fund 100% of the net revenue
10 realized for the preceding month from the 1.25% rate on the
11 selling price of sales tax holiday items.

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

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

26 Beginning July 1, 2011, each month the Department shall pay

1 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue
2 realized for the preceding month from the 6.25% general rate on
3 the selling price of sorbents used in Illinois in the process
4 of sorbent injection as used to comply with the Environmental
5 Protection Act or the federal Clean Air Act, but the total
6 payment into the Clean Air Act (CAA) Permit Fund under this Act
7 and the Retailers' Occupation Tax Act shall not exceed
8 \$2,000,000 in any fiscal year.

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
26	2010	139,000,000

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

23 and
24 each fiscal year
25 thereafter that bonds
26 are outstanding under

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

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

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

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

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

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

26 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount
2 paid out during that month as refunds to taxpayers for
3 overpayment of liability.

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

11 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,
12 eff. 5-27-10; 96-1012, eff. 7-7-10; 97-95, eff. 7-12-11;
13 97-333, eff. 8-12-11.)

14 Section 26. The Service Use Tax Act is amended by changing
15 Section 9 as follows:

16 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

17 Sec. 9. Each serviceman required or authorized to collect
18 the tax herein imposed shall pay to the Department the amount
19 of such tax (except as otherwise provided) at the time when he
20 is required to file his return for the period during which such
21 tax was collected, less a discount of 2.1% prior to January 1,
22 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
23 year, whichever is greater, which is allowed to reimburse the
24 serviceman for expenses incurred in collecting the tax, keeping

1 records, preparing and filing returns, remitting the tax and
2 supplying data to the Department on request. The Department may
3 disallow the discount for servicemen whose certificate of
4 registration is revoked at the time the return is filed, but
5 only if the Department's decision to revoke the certificate of
6 registration has become final. A serviceman need not remit that
7 part of any tax collected by him to the extent that he is
8 required to pay and does pay the tax imposed by the Service
9 Occupation Tax Act with respect to his sale of service
10 involving the incidental transfer by him of the same property.

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

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

25 1. The name of the seller;

26 2. The address of the principal place of business from

1 which he engages in business as a serviceman in this State;

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

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

8 5. The amount of tax due;

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

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

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

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

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

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

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

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

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

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

15 If the serviceman is otherwise required to file a monthly
16 or quarterly return and if the serviceman's average monthly tax
17 liability to the Department does not exceed \$50, the Department
18 may authorize his returns to be filed on an annual basis, with
19 the return for a given year being due by January 20 of the
20 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 Where a serviceman collects the tax with respect to the
6 selling price of property which he sells and the purchaser
7 thereafter returns such property and the serviceman refunds the
8 selling price thereof to the purchaser, such serviceman shall
9 also refund, to the purchaser, the tax so collected from the
10 purchaser. When filing his return for the period in which he
11 refunds such tax to the purchaser, the serviceman may deduct
12 the amount of the tax so refunded by him to the purchaser from
13 any other Service Use Tax, Service Occupation Tax, retailers'
14 occupation tax or use tax which such serviceman may be required
15 to pay or remit to the Department, as shown by such return,
16 provided that the amount of the tax to be deducted shall
17 previously have been remitted to the Department by such
18 serviceman. If the serviceman shall not previously have
19 remitted the amount of such tax to the Department, he shall be
20 entitled to no deduction hereunder upon refunding such tax to
21 the purchaser.

22 Any serviceman filing a return hereunder shall also include
23 the total tax upon the selling price of tangible personal
24 property purchased for use by him as an incident to a sale of
25 service, and such serviceman shall remit the amount of such tax
26 to the Department when filing such return.

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

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

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

22 Beginning January 1, 1990, each month the Department shall
23 pay into the State and Local Sales Tax Reform Fund 20% of the
24 net revenue realized for the preceding month from the 6.25%
25 general rate on transfers of tangible personal property, other
26 than tangible personal property which is purchased outside

1 Illinois at retail from a retailer and which is titled or
2 registered by an agency of this State's government.

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

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

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

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

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

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

		Total
	Fiscal Year	Deposit
14	1993	\$0
15	1994	53,000,000
16	1995	58,000,000
17	1996	61,000,000
18	1997	64,000,000
19	1998	68,000,000
20	1999	71,000,000
21	2000	75,000,000
22	2001	80,000,000
23	2002	93,000,000
24	2003	99,000,000
25	2004	103,000,000

1	2005	108,000,000
2	2006	113,000,000
3	2007	119,000,000
4	2008	126,000,000
5	2009	132,000,000
6	2010	139,000,000
7	2011	146,000,000
8	2012	153,000,000
9	2013	161,000,000
10	2014	170,000,000
11	2015	179,000,000
12	2016	189,000,000
13	2017	199,000,000
14	2018	210,000,000
15	2019	221,000,000
16	2020	233,000,000
17	2021	246,000,000
18	2022	260,000,000
19	2023	275,000,000
20	2024	275,000,000
21	2025	275,000,000
22	2026	279,000,000
23	2027	292,000,000
24	2028	307,000,000
25	2029	322,000,000
26	2030	338,000,000

1 2031 350,000,000

2 2032 350,000,000

3 and

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2060.

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

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning July 1, 1993, the Department shall each
2 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
3 the net revenue realized for the preceding month from the 6.25%
4 general rate on the selling price of tangible personal
5 property.

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

19 All remaining moneys received by the Department pursuant to
20 this Act shall be paid into the General Revenue Fund of the
21 State Treasury.

22 As soon as possible after the first day of each month, upon
23 certification of the Department of Revenue, the Comptroller
24 shall order transferred and the Treasurer shall transfer from
25 the General Revenue Fund to the Motor Fuel Tax Fund an amount
26 equal to 1.7% of 80% of the net revenue realized under this Act

1 for the second preceding month. Beginning April 1, 2000, this
2 transfer is no longer required and shall not be made.

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

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

9 Section 27. The Service Occupation Tax Act is amended by
10 changing Section 9 as follows:

11 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

1 registration has become final.

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 serviceman, in collecting the tax may collect, for
7 each tax return period, only the tax applicable to the part of
8 the selling price actually received during such tax return
9 period.

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

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

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

7 5. The amount of tax due;

8 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

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

1 Department, for the immediately preceding calendar year
2 divided by 12. Beginning on October 1, 2002, a taxpayer who has
3 a tax liability in the amount set forth in subsection (b) of
4 Section 2505-210 of the Department of Revenue Law shall make
5 all payments required by rules of the Department by electronic
6 funds transfer.

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

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those payments
18 in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 Where a serviceman collects the tax with respect to the
23 selling price of tangible personal property which he sells and
24 the purchaser thereafter returns such tangible personal
25 property and the serviceman refunds the selling price thereof
26 to the purchaser, such serviceman shall also refund, to the

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

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

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

24 Beginning January 1, 1990, each month the Department shall
25 pay into the Local Government Tax Fund the revenue realized for
26 the preceding month from the 1% tax on sales of food for human

1 consumption which is to be consumed off the premises where it
2 is sold (other than alcoholic beverages, soft drinks and food
3 which has been prepared for immediate consumption) and
4 prescription and nonprescription medicines, drugs, medical
5 appliances and insulin, urine testing materials, syringes and
6 needles used by diabetics.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the County and Mass Transit District Fund 4% of the
9 revenue realized for the preceding month from the 6.25% general
10 rate.

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

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

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

23 Beginning October 1, 2009, each month the Department shall
24 pay into the Capital Projects Fund an amount that is equal to
25 an amount estimated by the Department to represent 80% of the
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 is now taxed at 6.25%.

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

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

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

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

1 Retailers' Occupation Tax Act into the McCormick Place
2 Expansion Project Fund in the specified fiscal years.

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

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

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

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

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

22 Subject to payment of amounts into the Build Illinois Fund
23 and the McCormick Place Expansion Project Fund pursuant to the
24 preceding paragraphs or in any amendments thereto hereafter
25 enacted, beginning with the receipt of the first report of
26 taxes paid by an eligible business and continuing for a 25-year

1 period, the Department shall each month pay into the Energy
2 Infrastructure Fund 80% of the net revenue realized from the
3 6.25% general rate on the selling price of Illinois-mined coal
4 that was sold to an eligible business. For purposes of this
5 paragraph, the term "eligible business" means a new electric
6 generating facility certified pursuant to Section 605-332 of
7 the Department of Commerce and Economic Opportunity Law of the
8 Civil Administrative Code of Illinois.

9 Remaining moneys received by the Department pursuant to
10 this Act shall be paid into the General Revenue Fund of the
11 State Treasury.

12 The Department may, upon separate written notice to a
13 taxpayer, require the taxpayer to prepare and file with the
14 Department on a form prescribed by the Department within not
15 less than 60 days after receipt of the notice an annual
16 information return for the tax year specified in the notice.
17 Such annual return to the Department shall include a statement
18 of gross receipts as shown by the taxpayer's last Federal
19 income tax return. If the total receipts of the business as
20 reported in the Federal income tax return do not agree with the
21 gross receipts reported to the Department of Revenue for the
22 same period, the taxpayer shall attach to his annual return a
23 schedule showing a reconciliation of the 2 amounts and the
24 reasons for the difference. The taxpayer's annual return to the
25 Department shall also disclose the cost of goods sold by the
26 taxpayer during the year covered by such return, opening and

1 closing inventories of such goods for such year, cost of goods
2 used from stock or taken from stock and given away by the
3 taxpayer during such year, pay roll information of the
4 taxpayer's business during such year and any additional
5 reasonable information which the Department deems would be
6 helpful in determining the accuracy of the monthly, quarterly
7 or annual returns filed by such taxpayer as hereinbefore
8 provided for in this Section.

9 If the annual information return required by this Section
10 is not filed when and as required, the taxpayer shall be liable
11 as follows:

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

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

22 The chief executive officer, proprietor, owner or highest
23 ranking manager shall sign the annual return to certify the
24 accuracy of the information contained therein. Any person who
25 willfully signs the annual return containing false or
26 inaccurate information shall be guilty of perjury and punished

1 accordingly. The annual return form prescribed by the
2 Department shall include a warning that the person signing the
3 return may be liable for perjury.

4 The foregoing portion of this Section concerning the filing
5 of an annual information return shall not apply to a serviceman
6 who is not required to file an income tax return with the
7 United States Government.

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

15 Net revenue realized for a month shall be the revenue
16 collected by the State pursuant to this Act, less the amount
17 paid out during that month as refunds to taxpayers for
18 overpayment of liability.

19 For greater simplicity of administration, it shall be
20 permissible for manufacturers, importers and wholesalers whose
21 products are sold by numerous servicemen in Illinois, and who
22 wish to do so, to assume the responsibility for accounting and
23 paying to the Department all tax accruing under this Act with
24 respect to such sales, if the servicemen who are affected do
25 not make written objection to the Department to this
26 arrangement.

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

3 Section 30. The Retailers' Occupation Tax Act is amended by
4 changing Sections 2a and 3 as follows:

5 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

6 Sec. 2a. It is unlawful for any person to engage in the
7 business of selling tangible personal property at retail in
8 this State without a certificate of registration from the
9 Department. Application for a certificate of registration
10 shall be made to the Department upon forms furnished by it.
11 Each such application shall be signed and verified and shall
12 state: (1) the name and social security number of the
13 applicant; (2) the address of his principal place of business;
14 (3) the address of the principal place of business from which
15 he engages in the business of selling tangible personal
16 property at retail in this State and the addresses of all other
17 places of business, if any (enumerating such addresses, if any,
18 in a separate list attached to and made a part of the
19 application), from which he engages in the business of selling
20 tangible personal property at retail in this State; (4) the
21 name and address of the person or persons who will be
22 responsible for filing returns and payment of taxes due under
23 this Act; (5) in the case of a corporation, the name, title,
24 and social security number of each corporate officer; (6) in

1 the case of a limited liability company, the name, social
2 security number, and FEIN number of each manager and member;
3 and (7) such other information as the Department may reasonably
4 require. The application shall contain an acceptance of
5 responsibility signed by the person or persons who will be
6 responsible for filing returns and payment of the taxes due
7 under this Act. If the applicant will sell tangible personal
8 property at retail through vending machines, his application to
9 register shall indicate the number of vending machines to be so
10 operated. If requested by the Department at any time, that
11 person shall verify the total number of vending machines he or
12 she uses in his or her business of selling tangible personal
13 property at retail.

14 The Department may deny a certificate of registration to
15 any applicant if a person who is named as the owner, a ~~any~~
16 partner, a ~~any~~ manager or member of a limited liability
17 company, or a corporate officer of the applicant on the
18 application for the certificate of registration, is or has been
19 named as the owner, a partner, a manager or member of a limited
20 liability company, or a corporate officer, on the application
21 for the certificate of registration of another retailer that is
22 in default for moneys due under this Act or any other tax or
23 fee Act administered by the Department. For purposes of this
24 paragraph only, in determining whether a person is in default
25 for moneys due, the Department shall include only amounts
26 established as a final liability within the 20 years prior to

1 the date of the Department's notice of denial of a certificate
2 of registration.

3 The Department may require an applicant for a certificate
4 of registration hereunder to, at the time of filing such
5 application, furnish a bond from a surety company authorized to
6 do business in the State of Illinois, or an irrevocable bank
7 letter of credit or a bond signed by 2 personal sureties who
8 have filed, with the Department, sworn statements disclosing
9 net assets equal to at least 3 times the amount of the bond to
10 be required of such applicant, or a bond secured by an
11 assignment of a bank account or certificate of deposit, stocks
12 or bonds, conditioned upon the applicant paying to the State of
13 Illinois all moneys becoming due under this Act and under any
14 other State tax law or municipal or county tax ordinance or
15 resolution under which the certificate of registration that is
16 issued to the applicant under this Act will permit the
17 applicant to engage in business without registering separately
18 under such other law, ordinance or resolution. In making a
19 determination as to whether to require a bond or other
20 security, the Department shall take into consideration whether
21 the owner, any partner, any manager or member of a limited
22 liability company, or a corporate officer of the applicant is
23 or has been the owner, a partner, a manager or member of a
24 limited liability company, or a corporate officer of another
25 retailer that is in default for moneys due under this Act or
26 any other tax or fee Act administered by the Department; and

1 whether the owner, any partner, any manager or member of a
2 limited liability company, or a corporate officer of the
3 applicant is or has been the owner, a partner, a manager or
4 member of a limited liability company, or a corporate officer
5 of another retailer whose certificate of registration has been
6 revoked within the previous 5 years under this Act or any other
7 tax or fee Act administered by the Department. If a bond or
8 other security is required, the Department shall fix the amount
9 of the bond or other security, taking into consideration the
10 amount of money expected to become due from the applicant under
11 this Act and under any other State tax law or municipal or
12 county tax ordinance or resolution under which the certificate
13 of registration that is issued to the applicant under this Act
14 will permit the applicant to engage in business without
15 registering separately under such other law, ordinance, or
16 resolution. The amount of security required by the Department
17 shall be such as, in its opinion, will protect the State of
18 Illinois against failure to pay the amount which may become due
19 from the applicant under this Act and under any other State tax
20 law or municipal or county tax ordinance or resolution under
21 which the certificate of registration that is issued to the
22 applicant under this Act will permit the applicant to engage in
23 business without registering separately under such other law,
24 ordinance or resolution, but the amount of the security
25 required by the Department shall not exceed three times the
26 amount of the applicant's average monthly tax liability, or

1 \$50,000.00, whichever amount is lower.

2 No certificate of registration under this Act shall be
3 issued by the Department until the applicant provides the
4 Department with satisfactory security, if required, as herein
5 provided for.

6 Upon receipt of the application for certificate of
7 registration in proper form, and upon approval by the
8 Department of the security furnished by the applicant, if
9 required, the Department shall issue to such applicant a
10 certificate of registration which shall permit the person to
11 whom it is issued to engage in the business of selling tangible
12 personal property at retail in this State. The certificate of
13 registration shall be conspicuously displayed at the place of
14 business which the person so registered states in his
15 application to be the principal place of business from which he
16 engages in the business of selling tangible personal property
17 at retail in this State.

18 No certificate of registration issued to a taxpayer who
19 files returns required by this Act on a monthly basis shall be
20 valid after the expiration of 5 years from the date of its
21 issuance or last renewal. The expiration date of a
22 sub-certificate of registration shall be that of the
23 certificate of registration to which the sub-certificate
24 relates. A certificate of registration shall automatically be
25 renewed, subject to revocation as provided by this Act, for an
26 additional 5 years from the date of its expiration unless

1 otherwise notified by the Department as provided by this
2 paragraph. Where a taxpayer to whom a certificate of
3 registration is issued under this Act is in default to the
4 State of Illinois for delinquent returns or for moneys due
5 under this Act or any other State tax law or municipal or
6 county ordinance administered or enforced by the Department,
7 the Department shall, not less than 120 days before the
8 expiration date of such certificate of registration, give
9 notice to the taxpayer to whom the certificate was issued of
10 the account period of the delinquent returns, the amount of
11 tax, penalty and interest due and owing from the taxpayer, and
12 that the certificate of registration shall not be automatically
13 renewed upon its expiration date unless the taxpayer, on or
14 before the date of expiration, has filed and paid the
15 delinquent returns or paid the defaulted amount in full. A
16 taxpayer to whom such a notice is issued shall be deemed an
17 applicant for renewal. The Department shall promulgate
18 regulations establishing procedures for taxpayers who file
19 returns on a monthly basis but desire and qualify to change to
20 a quarterly or yearly filing basis and will no longer be
21 subject to renewal under this Section, and for taxpayers who
22 file returns on a yearly or quarterly basis but who desire or
23 are required to change to a monthly filing basis and will be
24 subject to renewal under this Section.

25 The Department may in its discretion approve renewal by an
26 applicant who is in default if, at the time of application for

1 renewal, the applicant files all of the delinquent returns or
2 pays to the Department such percentage of the defaulted amount
3 as may be determined by the Department and agrees in writing to
4 waive all limitations upon the Department for collection of the
5 remaining defaulted amount to the Department over a period not
6 to exceed 5 years from the date of renewal of the certificate;
7 however, no renewal application submitted by an applicant who
8 is in default shall be approved if the immediately preceding
9 renewal by the applicant was conditioned upon the installment
10 payment agreement described in this Section. The payment
11 agreement herein provided for shall be in addition to and not
12 in lieu of the security that may be required by this Section of
13 a taxpayer who is no longer considered a prior continuous
14 compliance taxpayer. The execution of the payment agreement as
15 provided in this Act shall not toll the accrual of interest at
16 the statutory rate.

17 The Department may suspend a certificate of registration if
18 the Department finds that the person to whom the certificate of
19 registration has been issued knowingly sold contraband
20 cigarettes.

21 A certificate of registration issued under this Act more
22 than 5 years before the effective date of this amendatory Act
23 of 1989 shall expire and be subject to the renewal provisions
24 of this Section on the next anniversary of the date of issuance
25 of such certificate which occurs more than 6 months after the
26 effective date of this amendatory Act of 1989. A certificate of

1 registration issued less than 5 years before the effective date
2 of this amendatory Act of 1989 shall expire and be subject to
3 the renewal provisions of this Section on the 5th anniversary
4 of the issuance of the certificate.

5 If the person so registered states that he operates other
6 places of business from which he engages in the business of
7 selling tangible personal property at retail in this State, the
8 Department shall furnish him with a sub-certificate of
9 registration for each such place of business, and the applicant
10 shall display the appropriate sub-certificate of registration
11 at each such place of business. All sub-certificates of
12 registration shall bear the same registration number as that
13 appearing upon the certificate of registration to which such
14 sub-certificates relate.

15 If the applicant will sell tangible personal property at
16 retail through vending machines, the Department shall furnish
17 him with a sub-certificate of registration for each such
18 vending machine, and the applicant shall display the
19 appropriate sub-certificate of registration on each such
20 vending machine by attaching the sub-certificate of
21 registration to a conspicuous part of such vending machine. If
22 a person who is registered to sell tangible personal property
23 at retail through vending machines adds an additional vending
24 machine or additional vending machines to the number of vending
25 machines he or she uses in his or her business of selling
26 tangible personal property at retail, he or she shall notify

1 the Department, on a form prescribed by the Department, to
2 request an additional sub-certificate or additional
3 sub-certificates of registration, as applicable. With each
4 such request, the applicant shall report the number of
5 sub-certificates of registration he or she is requesting as
6 well as the total number of vending machines from which he or
7 she makes retail sales.

8 Where the same person engages in 2 or more businesses of
9 selling tangible personal property at retail in this State,
10 which businesses are substantially different in character or
11 engaged in under different trade names or engaged in under
12 other substantially dissimilar circumstances (so that it is
13 more practicable, from an accounting, auditing or bookkeeping
14 standpoint, for such businesses to be separately registered),
15 the Department may require or permit such person (subject to
16 the same requirements concerning the furnishing of security as
17 those that are provided for hereinbefore in this Section as to
18 each application for a certificate of registration) to apply
19 for and obtain a separate certificate of registration for each
20 such business or for any of such businesses, under a single
21 certificate of registration supplemented by related
22 sub-certificates of registration.

23 Any person who is registered under the "Retailers'
24 Occupation Tax Act" as of March 8, 1963, and who, during the
25 3-year period immediately prior to March 8, 1963, or during a
26 continuous 3-year period part of which passed immediately

1 before and the remainder of which passes immediately after
2 March 8, 1963, has been so registered continuously and who is
3 determined by the Department not to have been either delinquent
4 or deficient in the payment of tax liability during that period
5 under this Act or under any other State tax law or municipal or
6 county tax ordinance or resolution under which the certificate
7 of registration that is issued to the registrant under this Act
8 will permit the registrant to engage in business without
9 registering separately under such other law, ordinance or
10 resolution, shall be considered to be a Prior Continuous
11 Compliance taxpayer. Also any taxpayer who has, as verified by
12 the Department, faithfully and continuously complied with the
13 condition of his bond or other security under the provisions of
14 this Act for a period of 3 consecutive years shall be
15 considered to be a Prior Continuous Compliance taxpayer.

16 Every Prior Continuous Compliance taxpayer shall be exempt
17 from all requirements under this Act concerning the furnishing
18 of a bond or other security as a condition precedent to his
19 being authorized to engage in the business of selling tangible
20 personal property at retail in this State. This exemption shall
21 continue for each such taxpayer until such time as he may be
22 determined by the Department to be delinquent in the filing of
23 any returns, or is determined by the Department (either through
24 the Department's issuance of a final assessment which has
25 become final under the Act, or by the taxpayer's filing of a
26 return which admits tax that is not paid to be due) to be

1 delinquent or deficient in the paying of any tax under this Act
2 or under any other State tax law or municipal or county tax
3 ordinance or resolution under which the certificate of
4 registration that is issued to the registrant under this Act
5 will permit the registrant to engage in business without
6 registering separately under such other law, ordinance or
7 resolution, at which time that taxpayer shall become subject to
8 all the financial responsibility requirements of this Act and,
9 as a condition of being allowed to continue to engage in the
10 business of selling tangible personal property at retail, may
11 be required to post bond or other acceptable security with the
12 Department covering liability which such taxpayer may
13 thereafter incur. Any taxpayer who fails to pay an admitted or
14 established liability under this Act may also be required to
15 post bond or other acceptable security with this Department
16 guaranteeing the payment of such admitted or established
17 liability.

18 No certificate of registration shall be issued to any
19 person who is in default to the State of Illinois for moneys
20 due under this Act or under any other State tax law or
21 municipal or county tax ordinance or resolution under which the
22 certificate of registration that is issued to the applicant
23 under this Act will permit the applicant to engage in business
24 without registering separately under such other law, ordinance
25 or resolution.

26 Any person aggrieved by any decision of the Department

1 under this Section may, within 20 days after notice of such
2 decision, protest and request a hearing, whereupon the
3 Department shall give notice to such person of the time and
4 place fixed for such hearing and shall hold a hearing in
5 conformity with the provisions of this Act and then issue its
6 final administrative decision in the matter to such person. In
7 the absence of such a protest within 20 days, the Department's
8 decision shall become final without any further determination
9 being made or notice given.

10 With respect to security other than bonds (upon which the
11 Department may sue in the event of a forfeiture), if the
12 taxpayer fails to pay, when due, any amount whose payment such
13 security guarantees, the Department shall, after such
14 liability is admitted by the taxpayer or established by the
15 Department through the issuance of a final assessment that has
16 become final under the law, convert the security which that
17 taxpayer has furnished into money for the State, after first
18 giving the taxpayer at least 10 days' written notice, by
19 registered or certified mail, to pay the liability or forfeit
20 such security to the Department. If the security consists of
21 stocks or bonds or other securities which are listed on a
22 public exchange, the Department shall sell such securities
23 through such public exchange. If the security consists of an
24 irrevocable bank letter of credit, the Department shall convert
25 the security in the manner provided for in the Uniform
26 Commercial Code. If the security consists of a bank certificate

1 of deposit, the Department shall convert the security into
2 money by demanding and collecting the amount of such bank
3 certificate of deposit from the bank which issued such
4 certificate. If the security consists of a type of stocks or
5 other securities which are not listed on a public exchange, the
6 Department shall sell such security to the highest and best
7 bidder after giving at least 10 days' notice of the date, time
8 and place of the intended sale by publication in the "State
9 Official Newspaper". If the Department realizes more than the
10 amount of such liability from the security, plus the expenses
11 incurred by the Department in converting the security into
12 money, the Department shall pay such excess to the taxpayer who
13 furnished such security, and the balance shall be paid into the
14 State Treasury.

15 The Department shall discharge any surety and shall release
16 and return any security deposited, assigned, pledged or
17 otherwise provided to it by a taxpayer under this Section
18 within 30 days after:

19 (1) such taxpayer becomes a Prior Continuous
20 Compliance taxpayer; or

21 (2) such taxpayer has ceased to collect receipts on
22 which he is required to remit tax to the Department, has
23 filed a final tax return, and has paid to the Department an
24 amount sufficient to discharge his remaining tax
25 liability, as determined by the Department, under this Act
26 and under every other State tax law or municipal or county

1 tax ordinance or resolution under which the certificate of
2 registration issued under this Act permits the registrant
3 to engage in business without registering separately under
4 such other law, ordinance or resolution. The Department
5 shall make a final determination of the taxpayer's
6 outstanding tax liability as expeditiously as possible
7 after his final tax return has been filed; if the
8 Department cannot make such final determination within 45
9 days after receiving the final tax return, within such
10 period it shall so notify the taxpayer, stating its reasons
11 therefor.

12 (Source: P.A. 96-1355, eff. 7-28-10; 97-335, eff. 1-1-12.)

13 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

19 1. The name of the seller;

20 2. His residence address and the address of his
21 principal place of business and the address of the
22 principal place of business (if that is a different
23 address) from which he engages in the business of selling
24 tangible personal property at retail in this State;

25 3. Total amount of receipts received by him during the

1 preceding calendar month or quarter, as the case may be,
2 from sales of tangible personal property, and from services
3 furnished, by him during such preceding calendar month or
4 quarter;

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

10 5. Deductions allowed by law;

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

14 7. The amount of credit provided in Section 2d of this
15 Act;

16 8. The amount of tax due;

17 9. The signature of the taxpayer; and

18 10. Such other reasonable information as the
19 Department may require.

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

24 Each return shall be accompanied by the statement of
25 prepaid tax issued pursuant to Section 2e for which credit is
26 claimed.

1 Prior to October 1, 2003, and on and after September 1,
2 2004 a retailer may accept a Manufacturer's Purchase Credit
3 certification from a purchaser in satisfaction of Use Tax as
4 provided in Section 3-85 of the Use Tax Act if the purchaser
5 provides the appropriate documentation as required by Section
6 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
7 certification, accepted by a retailer prior to October 1, 2003
8 and on and after September 1, 2004 as provided in Section 3-85
9 of the Use Tax Act, may be used by that retailer to satisfy
10 Retailers' Occupation Tax liability in the amount claimed in
11 the certification, not to exceed 6.25% of the receipts subject
12 to tax from a qualifying purchase. A Manufacturer's Purchase
13 Credit reported on any original or amended return filed under
14 this Act after October 20, 2003 for reporting periods prior to
15 September 1, 2004 shall be disallowed. Manufacturer's
16 Purchaser Credit reported on annual returns due on or after
17 January 1, 2005 will be disallowed for periods prior to
18 September 1, 2004. No Manufacturer's Purchase Credit may be
19 used after September 30, 2003 through August 31, 2004 to
20 satisfy any tax liability imposed under this Act, including any
21 audit liability.

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

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

3 1. The name of the seller;

4 2. The address of the principal place of business from
5 which he engages in the business of selling tangible
6 personal property at retail in this State;

7 3. The total amount of taxable receipts received by him
8 during the preceding calendar month from sales of tangible
9 personal property by him during such preceding calendar
10 month, including receipts from charge and time sales, but
11 less all deductions allowed by law;

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

14 5. The amount of tax due; and

15 6. Such other reasonable information as the Department
16 may require.

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

1 rules may provide for exceptions from the filing requirements
2 of this paragraph. For the purposes of this paragraph, the term
3 "alcoholic liquor" shall have the meaning prescribed in the
4 Liquor Control Act of 1934.

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

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

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

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

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

9 Before August 1 of each year beginning in 1993, the
10 Department shall notify all taxpayers required to make payments
11 by electronic funds transfer. All taxpayers required to make
12 payments by electronic funds transfer shall make those payments
13 for a minimum of one year beginning on October 1.

14 Any taxpayer not required to make payments by electronic
15 funds transfer may make payments by electronic funds transfer
16 with the permission of the Department.

17 All taxpayers required to make payment by electronic funds
18 transfer and any taxpayers authorized to voluntarily make
19 payments by electronic funds transfer shall make those payments
20 in the manner authorized by the Department.

21 The Department shall adopt such rules as are necessary to
22 effectuate a program of electronic funds transfer and the
23 requirements of this Section.

24 Any amount which is required to be shown or reported on any
25 return or other document under this Act shall, if such amount
26 is not a whole-dollar amount, be increased to the nearest

1 whole-dollar amount in any case where the fractional part of a
2 dollar is 50 cents or more, and decreased to the nearest
3 whole-dollar amount where the fractional part of a dollar is
4 less than 50 cents.

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

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

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

25 Notwithstanding any other provision in this Act concerning
26 the time within which a retailer may file his return, in the

1 case of any retailer who ceases to engage in a kind of business
2 which makes him responsible for filing returns under this Act,
3 such retailer shall file a final return under this Act with the
4 Department not more than one month after discontinuing such
5 business.

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

11 In addition, with respect to motor vehicles, watercraft,
12 aircraft, and trailers that are required to be registered with
13 an agency of this State, every retailer selling this kind of
14 tangible personal property shall file, with the Department,
15 upon a form to be prescribed and supplied by the Department, a
16 separate return for each such item of tangible personal
17 property which the retailer sells, except that if, in the same
18 transaction, (i) a retailer of aircraft, watercraft, motor
19 vehicles or trailers transfers more than one aircraft,
20 watercraft, motor vehicle or trailer to another aircraft,
21 watercraft, motor vehicle retailer or trailer retailer for the
22 purpose of resale or (ii) a retailer of aircraft, watercraft,
23 motor vehicles, or trailers transfers more than one aircraft,
24 watercraft, motor vehicle, or trailer to a purchaser for use as
25 a qualifying rolling stock as provided in Section 2-5 of this
26 Act, then that seller may report the transfer of all aircraft,

1 watercraft, motor vehicles or trailers involved in that
2 transaction to the Department on the same uniform
3 invoice-transaction reporting return form. For purposes of
4 this Section, "watercraft" means a Class 2, Class 3, or Class 4
5 watercraft as defined in Section 3-2 of the Boat Registration
6 and Safety Act, a personal watercraft, or any boat equipped
7 with an inboard motor.

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

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

1 trade-in allowance from the total selling price; the amount of
2 tax due from the retailer with respect to such transaction; the
3 amount of tax collected from the purchaser by the retailer on
4 such transaction (or satisfactory evidence that such tax is not
5 due in that particular instance, if that is claimed to be the
6 fact); the place and date of the sale; a sufficient
7 identification of the property sold; such other information as
8 is required in Section 5-402 of The Illinois Vehicle Code, and
9 such other information as the Department may reasonably
10 require.

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

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

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

26 No retailer's failure or refusal to remit tax under this

1 Act precludes a user, who has paid the proper tax to the
2 retailer, from obtaining his certificate of title or other
3 evidence of title or registration (if titling or registration
4 is required) upon satisfying the Department that such user has
5 paid the proper tax (if tax is due) to the retailer. The
6 Department shall adopt appropriate rules to carry out the
7 mandate of this paragraph.

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

26 Refunds made by the seller during the preceding return

1 period to purchasers, on account of tangible personal property
2 returned to the seller, shall be allowed as a deduction under
3 subdivision 5 of his monthly or quarterly return, as the case
4 may be, in case the seller had theretofore included the
5 receipts from the sale of such tangible personal property in a
6 return filed by him and had paid the tax imposed by this Act
7 with respect to such receipts.

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

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

16 Except as provided in this Section, the retailer filing the
17 return under this Section shall, at the time of filing such
18 return, pay to the Department the amount of tax imposed by this
19 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
20 on and after January 1, 1990, or \$5 per calendar year,
21 whichever is greater, which is allowed to reimburse the
22 retailer for the expenses incurred in keeping records,
23 preparing and filing returns, remitting the tax and supplying
24 data to the Department on request. Any prepayment made pursuant
25 to Section 2d of this Act shall be included in the amount on
26 which such 2.1% or 1.75% discount is computed. In the case of

1 retailers who report and pay the tax on a transaction by
2 transaction basis, as provided in this Section, such discount
3 shall be taken with each such tax remittance instead of when
4 such retailer files his periodic return. The Department may
5 disallow the discount for retailers whose certificate of
6 registration is revoked at the time the return is filed, but
7 only if the Department's decision to revoke the certificate of
8 registration has become final.

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

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

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

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

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

6 The provisions of this paragraph apply before October 1,
7 2001. Without regard to whether a taxpayer is required to make
8 quarter monthly payments as specified above, any taxpayer who
9 is required by Section 2d of this Act to collect and remit
10 prepaid taxes and has collected prepaid taxes which average in
11 excess of \$25,000 per month during the preceding 2 complete
12 calendar quarters, shall file a return with the Department as
13 required by Section 2f and shall make payments to the
14 Department on or before the 7th, 15th, 22nd and last day of the
15 month during which such liability is incurred. If the month
16 during which such tax liability is incurred began prior to the
17 effective date of this amendatory Act of 1985, each payment
18 shall be in an amount not less than 22.5% of the taxpayer's
19 actual liability under Section 2d. If the month during which
20 such tax liability is incurred begins on or after January 1,
21 1986, each payment shall be in an amount equal to 22.5% of the
22 taxpayer's actual liability for the month or 27.5% of the
23 taxpayer's liability for the same calendar month of the
24 preceding calendar year. If the month during which such tax
25 liability is incurred begins on or after January 1, 1987, each
26 payment shall be in an amount equal to 22.5% of the taxpayer's

1 actual liability for the month or 26.25% of the taxpayer's
2 liability for the same calendar month of the preceding year.
3 The amount of such quarter monthly payments shall be credited
4 against the final tax liability of the taxpayer's return for
5 that month filed under this Section or Section 2f, as the case
6 may be. Once applicable, the requirement of the making of
7 quarter monthly payments to the Department pursuant to this
8 paragraph shall continue until such taxpayer's average monthly
9 prepaid tax collections during the preceding 2 complete
10 calendar quarters is \$25,000 or less. If any such quarter
11 monthly payment is not paid at the time or in the amount
12 required, the taxpayer shall be liable for penalties and
13 interest on such difference, except insofar as the taxpayer has
14 previously made payments for that month in excess of the
15 minimum payments previously due.

16 The provisions of this paragraph apply on and after October
17 1, 2001. Without regard to whether a taxpayer is required to
18 make quarter monthly payments as specified above, any taxpayer
19 who is required by Section 2d of this Act to collect and remit
20 prepaid taxes and has collected prepaid taxes that average in
21 excess of \$20,000 per month during the preceding 4 complete
22 calendar quarters shall file a return with the Department as
23 required by Section 2f and shall make payments to the
24 Department on or before the 7th, 15th, 22nd and last day of the
25 month during which the liability is incurred. Each payment
26 shall be in an amount equal to 22.5% of the taxpayer's actual

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

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

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

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

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

1 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, a special
7 fund in the State treasury which is hereby created, 4% of the
8 net revenue realized for the preceding month from the 6.25%
9 general rate.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the County and Mass Transit District Fund 20% of the
12 net revenue realized for the preceding month from the 1.25%
13 rate on the selling price of motor fuel and gasohol. Beginning
14 September 1, 2010, each month the Department shall pay into the
15 County and Mass Transit District Fund 20% of the net revenue
16 realized for the preceding month from the 1.25% rate on the
17 selling price of sales tax holiday items.

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

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

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

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

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

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. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,
18 eff. 5-27-10; 96-1012, eff. 7-7-10; 97-95, eff. 7-12-11;
19 97-333, eff. 8-12-11.)