



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4378

by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.875 new	
30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
30 ILCS 105/6z-101 new	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the rate of tax on firearms and firearm component parts shall be 10% (currently, 6.25%). Provides that the proceeds attributable to the increased rate shall be deposited into the At-Risk Youth Assistance Fund. Amends the State Finance Act to create the Fund. Sets forth the purposes for which moneys in the Fund may be used. Effective immediately.

LRB099 15640 HLH 39933 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 and by adding Sections 5.875 and
6 6z-101 as follows:

7 (30 ILCS 105/5.875 new)

8 Sec. 5.875. The At-Risk Youth Assistance Fund.

9 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

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

22 A portion of the money paid into the Local Government Tax

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

14 A portion of the money paid into the Local Government Tax
15 Fund from the taxes imposed ~~6.25% general rate (and, beginning~~
16 ~~July 1, 2000 and through December 31, 2000, the 1.25% rate on~~
17 ~~motor fuel and gasohol, and beginning on August 6, 2010 through~~
18 ~~August 15, 2010, the 1.25% rate on sales tax holiday items) on~~
19 ~~sales subject to taxation~~ under the Retailers' Occupation Tax
20 Act and the Service Occupation Tax Act, on sales which occurred
21 in municipalities, shall be distributed to each municipality,
22 based upon the sales which occurred in that municipality. The
23 remainder shall be distributed to each county, based upon the
24 sales which occurred in the unincorporated area of such county.

25 For the purpose of determining allocation to the local
26 government unit, a retail sale by a producer of coal or other

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

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

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the Department
18 of Revenue, the Comptroller shall order transferred, and the
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
20 local sales tax increment, as defined in the Innovation
21 Development and Economy Act, collected during the second
22 preceding calendar month for sales within a STAR bond district
23 and deposited into the Local Government Tax Fund, less 3% of
24 that amount, which shall be transferred into the Tax Compliance
25 and Administration Fund and shall be used by the Department,
26 subject to appropriation, to cover the costs of the Department

1 in administering the Innovation Development and Economy Act.

2 After the monthly transfer to the STAR Bonds Revenue Fund,
3 on or before the 25th day of each calendar month, the
4 Department shall prepare and certify to the Comptroller the
5 disbursement of stated sums of money to named municipalities
6 and counties, the municipalities and counties to be those
7 entitled to distribution of taxes or penalties paid to the
8 Department during the second preceding calendar month. The
9 amount to be paid to each municipality or county shall be the
10 amount (not including credit memoranda) collected during the
11 second preceding calendar month by the Department and paid into
12 the Local Government Tax Fund, plus an amount the Department
13 determines is necessary to offset any amounts which were
14 erroneously paid to a different taxing body, and not including
15 an amount equal to the amount of refunds made during the second
16 preceding calendar month by the Department, and not including
17 any amount which the Department determines is necessary to
18 offset any amounts which are payable to a different taxing body
19 but were erroneously paid to the municipality or county, and
20 not including any amounts that are transferred to the STAR
21 Bonds Revenue Fund. Within 10 days after receipt, by the
22 Comptroller, of the disbursement certification to the
23 municipalities and counties, provided for in this Section to be
24 given to the Comptroller by the Department, the Comptroller
25 shall cause the orders to be drawn for the respective amounts
26 in accordance with the directions contained in such

1 certification.

2 When certifying the amount of monthly disbursement to a
3 municipality or county under this Section, the Department shall
4 increase or decrease that amount by an amount necessary to
5 offset any misallocation of previous disbursements. The offset
6 amount shall be the amount erroneously disbursed within the 6
7 months preceding the time a misallocation is discovered.

8 The provisions directing the distributions from the
9 special fund in the State Treasury provided for in this Section
10 shall constitute an irrevocable and continuing appropriation
11 of all amounts as provided herein. The State Treasurer and
12 State Comptroller are hereby authorized to make distributions
13 as provided in this Section.

14 In construing any development, redevelopment, annexation,
15 preannexation or other lawful agreement in effect prior to
16 September 1, 1990, which describes or refers to receipts from a
17 county or municipal retailers' occupation tax, use tax or
18 service occupation tax which now cannot be imposed, such
19 description or reference shall be deemed to include the
20 replacement revenue for such abolished taxes, distributed from
21 the Local Government Tax Fund.

22 As soon as possible after the effective date of this
23 amendatory Act of the 98th General Assembly, the State
24 Comptroller shall order and the State Treasurer shall transfer
25 \$6,600,000 from the Local Government Tax Fund to the Illinois
26 State Medical Disciplinary Fund.

1 (Source: P.A. 97-333, eff. 8-12-11; 98-3, eff. 3-8-13.)

2 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

3 Sec. 6z-20. Of the money received from the taxes imposed
4 ~~6.25% general rate (and, beginning July 1, 2000 and through~~
5 ~~December 31, 2000, the 1.25% rate on motor fuel and gasoline,~~
6 ~~and beginning on August 6, 2010 through August 15, 2010, the~~
7 ~~1.25% rate on sales tax holiday items) on sales subject to~~
8 ~~taxation~~ under the Retailers' Occupation Tax Act and Service
9 Occupation Tax Act and paid into the County and Mass Transit
10 District Fund, distribution to the Regional Transportation
11 Authority tax fund, created pursuant to Section 4.03 of the
12 Regional Transportation Authority Act, for deposit therein
13 shall be made based upon the retail sales occurring in a county
14 having more than 3,000,000 inhabitants. The remainder shall be
15 distributed to each county having 3,000,000 or fewer
16 inhabitants based upon the retail sales occurring in each such
17 county.

18 For the purpose of determining allocation to the local
19 government unit, a retail sale by a producer of coal or other
20 mineral mined in Illinois is a sale at retail at the place
21 where the coal or other mineral mined in Illinois is extracted
22 from the earth. This paragraph does not apply to coal or other
23 mineral when it is delivered or shipped by the seller to the
24 purchaser at a point outside Illinois so that the sale is
25 exempt under the United States Constitution as a sale in

1 interstate or foreign commerce.

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

21 Whenever the Department determines that a refund of money
22 paid into the County and Mass Transit District Fund should be
23 made to a claimant instead of issuing a credit memorandum, the
24 Department shall notify the State Comptroller, who shall cause
25 the order to be drawn for the amount specified, and to the
26 person named, in such notification from the Department. Such

1 refund shall be paid by the State Treasurer out of the County
2 and Mass Transit District Fund.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2011, upon certification of the Department
5 of Revenue, the Comptroller shall order transferred, and the
6 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
7 local sales tax increment, as defined in the Innovation
8 Development and Economy Act, collected during the second
9 preceding calendar month for sales within a STAR bond district
10 and deposited into the County and Mass Transit District Fund,
11 less 3% of that amount, which shall be transferred into the Tax
12 Compliance and Administration Fund and shall be used by the
13 Department, subject to appropriation, to cover the costs of the
14 Department in administering the Innovation Development and
15 Economy Act.

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 on or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to the Regional
20 Transportation Authority and to named counties, the counties to
21 be those entitled to distribution, as hereinabove provided, of
22 taxes or penalties paid to the Department during the second
23 preceding calendar month. The amount to be paid to the Regional
24 Transportation Authority and each county having 3,000,000 or
25 fewer inhabitants shall be the amount (not including credit
26 memoranda) collected during the second preceding calendar

1 month by the Department and paid into the County and Mass
2 Transit District Fund, plus an amount the Department determines
3 is necessary to offset any amounts which were erroneously paid
4 to a different taxing body, and not including an amount equal
5 to the amount of refunds made during the second preceding
6 calendar month by the Department, and not including any amount
7 which the Department determines is necessary to offset any
8 amounts which were payable to a different taxing body but were
9 erroneously paid to the Regional Transportation Authority or
10 county, and not including any amounts that are transferred to
11 the STAR Bonds Revenue Fund. Within 10 days after receipt, by
12 the Comptroller, of the disbursement certification to the
13 Regional Transportation Authority and counties, provided for
14 in this Section to be given to the Comptroller by the
15 Department, the Comptroller shall cause the orders to be drawn
16 for the respective amounts in accordance with the directions
17 contained in such certification.

18 When certifying the amount of a monthly disbursement to the
19 Regional Transportation Authority or to a county under this
20 Section, the Department shall increase or decrease that amount
21 by an amount necessary to offset any misallocation of previous
22 disbursements. The offset amount shall be the amount
23 erroneously disbursed within the 6 months preceding the time a
24 misallocation is discovered.

25 The provisions directing the distributions from the
26 special fund in the State Treasury provided for in this Section

1 and from the Regional Transportation Authority tax fund created
2 by Section 4.03 of the Regional Transportation Authority Act
3 shall constitute an irrevocable and continuing appropriation
4 of all amounts as provided herein. The State Treasurer and
5 State Comptroller are hereby authorized to make distributions
6 as provided in this Section.

7 In construing any development, redevelopment, annexation,
8 preannexation or other lawful agreement in effect prior to
9 September 1, 1990, which describes or refers to receipts from a
10 county or municipal retailers' occupation tax, use tax or
11 service occupation tax which now cannot be imposed, such
12 description or reference shall be deemed to include the
13 replacement revenue for such abolished taxes, distributed from
14 the County and Mass Transit District Fund or Local Government
15 Distributive Fund, as the case may be.

16 (Source: P.A. 96-939, eff. 6-24-10; 96-1012, eff. 7-7-10;
17 97-333, eff. 8-12-11.)

18 (30 ILCS 105/6z-101 new)

19 Sec. 6z-101. At-Risk Youth Assistance Fund; creation.

20 (a) The At-Risk Youth Assistance Fund is hereby created as
21 a special fund in the State treasury. Moneys in the Fund may be
22 used for the following purposes, subject to appropriation: (1)
23 to provide community college scholarships and grants to at-risk
24 youth; (2) to make grants for the purpose of establishing and
25 continuing summer job programs in communities in which at-risk

1 youth reside; (3) for juvenile justice programs; and (4) to
2 make grants to trauma centers in high crime areas for medical
3 emergency responses.

4 (b) For the purposes of this Section:

5 "At-risk youth" means an individual between the ages of 16
6 and 22 who resides in a high crime area.

7 "High crime area" means a census tract in which the
8 homicide rate is more than 4 times higher than the average
9 homicide rate for a municipality that is the same size as the
10 municipality in which the census tract is located, according to
11 statistics generated by the Federal Bureau of Investigation as
12 part of the Uniform Crime Reporting (UCR) Program.

13 "Trauma center" has the same meaning as in the Emergency
14 Medical Services (EMS) Systems Act.

15 Section 10. The Use Tax Act is amended by changing Sections
16 3-10 and 9 as follows:

17 (35 ILCS 105/3-10)

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

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

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

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

22 Beginning January 1, 2017, with respect to firearms, as
23 defined in Section 1.1 of the Firearm Owners Identification
24 Card Act, and firearm component parts that are sold separately
25 from the firearm and are necessary for the firearm to function
26 in its intended manner, the tax is imposed at the rate of 10%.

1 With respect to gasohol, the tax imposed by this Act
2 applies to (i) 70% of the proceeds of sales made on or after
3 January 1, 1990, and before July 1, 2003, (ii) 80% of the
4 proceeds of sales made on or after July 1, 2003 and on or
5 before December 31, 2018, and (iii) 100% of the proceeds of
6 sales made thereafter. If, at any time, however, the tax under
7 this Act on sales of gasohol is imposed at the rate of 1.25%,
8 then the tax imposed by this Act applies to 100% of the
9 proceeds of sales of gasohol made during that time.

10 With respect to majority blended ethanol fuel, the tax
11 imposed by this Act does not apply to the proceeds of sales
12 made on or after July 1, 2003 and on or before December 31,
13 2018 but applies to 100% of the proceeds of sales made
14 thereafter.

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

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

1 by this Act does not apply to the proceeds of sales made on or
2 after July 1, 2003 and on or before December 31, 2018 but
3 applies to 100% of the proceeds of sales made thereafter.

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

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

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

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

26 Notwithstanding any other provisions of this Act,

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

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

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

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

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

1 allowance for depreciation for the period of prior out-of-state
2 use.

3 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15.)

4 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 required to remit and does remit the tax imposed by the
2 Retailers' Occupation Tax Act, with respect to the sale of the
3 same property.

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

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

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

26 1. The name of the seller;

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

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

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

11 5. The amount of tax due;

12 5-5. The signature of the taxpayer; and

13 6. Such other reasonable information as the Department
14 may require.

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

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

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

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

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

26 All taxpayers required to make payment by electronic funds

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

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

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

1 payment shall be in an amount equal to 1/4 of the taxpayer's
2 actual liability for the month or an amount set by the
3 Department not to exceed 1/4 of the average monthly liability
4 of the taxpayer to the Department for the preceding 4 complete
5 calendar quarters (excluding the month of highest liability and
6 the month of lowest liability in such 4 quarter period). If the
7 month during which such tax liability is incurred begins on or
8 after January 1, 1985, and prior to January 1, 1987, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 27.5% of the taxpayer's
11 liability for the same calendar month of the preceding year. If
12 the month during which such tax liability is incurred begins on
13 or after January 1, 1987, and prior to January 1, 1988, each
14 payment shall be in an amount equal to 22.5% of the taxpayer's
15 actual liability for the month or 26.25% 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, 1988, and prior to January 1, 1989, or
19 begins on or after January 1, 1996, each payment shall be in an
20 amount equal to 22.5% of the taxpayer's actual liability for
21 the month or 25% of the taxpayer's liability for the same
22 calendar month of the preceding year. If the month during which
23 such tax liability is incurred begins on or after January 1,
24 1989, and prior to 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 or 100% of the taxpayer's
2 actual liability for the quarter monthly reporting period. The
3 amount of such quarter monthly payments shall be credited
4 against the final tax liability of the taxpayer's return for
5 that month. Before October 1, 2000, once applicable, the
6 requirement of the making of quarter monthly payments to the
7 Department shall continue until such taxpayer's average
8 monthly liability to the Department during the preceding 4
9 complete calendar quarters (excluding the month of highest
10 liability and the month of lowest liability) is less than
11 \$9,000, or until such taxpayer's average monthly liability to
12 the Department as computed for each calendar quarter of the 4
13 preceding complete calendar quarter period is less than
14 \$10,000. However, if a taxpayer can show the Department that a
15 substantial change in the taxpayer's business has occurred
16 which causes the taxpayer to anticipate that his average
17 monthly tax liability for the reasonably foreseeable future
18 will fall below the \$10,000 threshold stated above, then such
19 taxpayer may petition the Department for change in such
20 taxpayer's reporting status. On and after October 1, 2000, once
21 applicable, the requirement of the making of quarter monthly
22 payments to the Department shall continue until such taxpayer's
23 average monthly liability to the Department during the
24 preceding 4 complete calendar quarters (excluding the month of
25 highest liability and the month of lowest liability) is less
26 than \$19,000 or until such taxpayer's average monthly liability

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

23 If any such payment provided for in this Section exceeds
24 the taxpayer's liabilities under this Act, the Retailers'
25 Occupation Tax Act, the Service Occupation Tax Act and the
26 Service Use Tax Act, as shown by an original monthly return,

1 the Department shall issue to the taxpayer a credit memorandum
2 no later than 30 days after the date of payment, which
3 memorandum may be submitted by the taxpayer to the Department
4 in payment of tax liability subsequently to be remitted by the
5 taxpayer to the Department or be assigned by the taxpayer to a
6 similar taxpayer under this Act, the Retailers' Occupation Tax
7 Act, the Service Occupation Tax Act or the Service Use Tax Act,
8 in accordance with reasonable rules and regulations to be
9 prescribed by the Department, except that if such excess
10 payment is shown on an original monthly return and is made
11 after December 31, 1986, no credit memorandum shall be issued,
12 unless requested by the taxpayer. If no such request is made,
13 the taxpayer may credit such excess payment against tax
14 liability subsequently to be remitted by the taxpayer to the
15 Department under this Act, the Retailers' Occupation Tax Act,
16 the Service Occupation Tax Act or the Service Use Tax Act, in
17 accordance with reasonable rules and regulations prescribed by
18 the Department. If the Department subsequently determines that
19 all or any part of the credit taken was not actually due to the
20 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
21 be reduced by 2.1% or 1.75% of the difference between the
22 credit taken and that actually due, and the taxpayer shall be
23 liable for penalties and interest on such difference.

24 If the retailer is otherwise required to file a monthly
25 return and if the retailer's average monthly tax liability to
26 the Department does not exceed \$200, the Department may

1 authorize his returns to be filed on a quarter annual basis,
2 with the return for January, February, and March of a given
3 year being due by April 20 of such year; with the return for
4 April, May and June of a given year being due by July 20 of such
5 year; with the return for July, August and September of a given
6 year being due by October 20 of such year, and with the return
7 for October, November and December of a given year being due by
8 January 20 of the following year.

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

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

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

25 In addition, with respect to motor vehicles, watercraft,
26 aircraft, and trailers that are required to be registered with

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

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

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

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

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

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

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

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

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

14 If the user who would otherwise pay tax to the retailer
15 wants the transaction reporting return filed and the payment of
16 tax or proof of exemption made to the Department before the
17 retailer is willing to take these actions and such user has not
18 paid the tax to the retailer, such user may certify to the fact
19 of such delay by the retailer, and may (upon the Department
20 being satisfied of the truth of such certification) transmit
21 the information required by the transaction reporting return
22 and the remittance for tax or proof of exemption directly to
23 the Department and obtain his tax receipt or exemption
24 determination, in which event the transaction reporting return
25 and tax remittance (if a tax payment was required) shall be
26 credited by the Department to the proper retailer's account

1 with the Department, but without the 2.1% or 1.75% discount
2 provided for in this Section being allowed. When the user pays
3 the tax directly to the Department, he shall pay the tax in the
4 same amount and in the same form in which it would be remitted
5 if the tax had been remitted to the Department by the retailer.

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

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

1 from the retailer filing such return, and such retailer shall
2 remit the amount of such tax to the Department when filing such
3 return.

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

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

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

25 Beginning January 1, 1990, each month the Department shall
26 pay into the County and Mass Transit District Fund 4% of the

1 net revenue realized for the preceding month from the 6.25%
2 general rate on the selling price of tangible personal property
3 which is purchased outside Illinois at retail from a retailer
4 and which is titled or registered by an agency of this State's
5 government.

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

14 Beginning February 1, 2017, each month the Department shall
15 pay into the State and Local Sales Tax Reform Fund 12.5% of the
16 net revenue realized for the preceding month from the 10% rate
17 on the selling price of firearms and firearm component parts.

18 Beginning February 1, 2017, each month the Department shall
19 pay into the At-Risk Youth Assistance Fund 37.5% of the net
20 revenue realized for the preceding month from the 10% rate on
21 the selling price of firearms and firearm component parts.

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

1 State and Local Sales Tax Reform Fund 100% of the net revenue
2 realized for the preceding month from the 1.25% rate on the
3 selling price of sales tax holiday items.

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

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

18 Beginning July 1, 2011, each month the Department shall pay
19 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue
20 realized for the preceding month from the 6.25% general rate on
21 the selling price of sorbents used in Illinois in the process
22 of sorbent injection as used to comply with the Environmental
23 Protection Act or the federal Clean Air Act, but the total
24 payment into the Clean Air Act (CAA) Permit Fund under this Act
25 and the Retailers' Occupation Tax Act shall not exceed
26 \$2,000,000 in any fiscal year.

1 Beginning July 1, 2013, each month the Department shall pay
2 into the Underground Storage Tank Fund from the proceeds
3 collected under this Act, the Service Use Tax Act, the Service
4 Occupation Tax Act, and the Retailers' Occupation Tax Act an
5 amount equal to the average monthly deficit in the Underground
6 Storage Tank Fund during the prior year, as certified annually
7 by the Illinois Environmental Protection Agency, but the total
8 payment into the Underground Storage Tank Fund under this Act,
9 the Service Use Tax Act, the Service Occupation Tax Act, and
10 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
11 in any State fiscal year. As used in this paragraph, the
12 "average monthly deficit" shall be equal to the difference
13 between the average monthly claims for payment by the fund and
14 the average monthly revenues deposited into the fund, excluding
15 payments made pursuant to this paragraph.

16 Beginning July 1, 2015, of the remainder of the moneys
17 received by the Department under this Act, the Service Use Tax
18 Act, the Service Occupation Tax Act, and the Retailers'
19 Occupation Tax Act, each month the Department shall deposit
20 \$500,000 into the State Crime Laboratory Fund.

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

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

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

1 deemed to constitute payments pursuant to clause (b) of the
2 preceding sentence and shall reduce the amount otherwise
3 payable for such fiscal year pursuant to clause (b) of the
4 preceding sentence. The moneys received by the Department
5 pursuant to this Act and required to be deposited into the
6 Build Illinois Fund are subject to the pledge, claim and charge
7 set forth in Section 12 of the Build Illinois Bond Act.

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

20	Fiscal Year	Total Deposit
21	1993	\$0
22	1994	53,000,000
23	1995	58,000,000
24	1996	61,000,000
25	1997	64,000,000
26	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000

1	2025	275,000,000
2	2026	279,000,000
3	2027	292,000,000
4	2028	307,000,000
5	2029	322,000,000
6	2030	338,000,000
7	2031	350,000,000
8	2032	350,000,000

9 and

10 each fiscal year

11 thereafter that bonds

12 are outstanding under

13 Section 13.2 of the

14 Metropolitan Pier and

15 Exposition Authority Act,

16 but not after fiscal year 2060.

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

1 Fund, until the full amount requested for the fiscal year, but
2 not in excess of the amount specified above as "Total Deposit",
3 has been deposited.

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

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

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

1 Increment Fund, and the Energy Infrastructure Fund pursuant to
2 the preceding paragraphs or in any amendments to this Section
3 hereafter enacted, beginning on the first day of the first
4 calendar month to occur on or after the effective date of this
5 amendatory Act of the 98th General Assembly, each month, from
6 the collections made under Section 9 of the Use Tax Act,
7 Section 9 of the Service Use Tax Act, Section 9 of the Service
8 Occupation Tax Act, and Section 3 of the Retailers' Occupation
9 Tax Act, the Department shall pay into the Tax Compliance and
10 Administration Fund, to be used, subject to appropriation, to
11 fund additional auditors and compliance personnel at the
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
13 the cash receipts collected during the preceding fiscal year by
14 the Audit Bureau of the Department under the Use Tax Act, the
15 Service Use Tax Act, the Service Occupation Tax Act, the
16 Retailers' Occupation Tax Act, and associated local occupation
17 and use taxes administered by the Department.

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

24 As soon as possible after the first day of each month, upon
25 certification of the Department of Revenue, the Comptroller
26 shall order transferred and the Treasurer shall transfer from

1 the General Revenue Fund to the Motor Fuel Tax Fund an amount
2 equal to 1.7% of 80% of the net revenue realized under this Act
3 for the second preceding month. Beginning April 1, 2000, this
4 transfer is no longer required and shall not be made.

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

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

16 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
17 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.
18 8-26-14; 99-352, eff. 8-12-15.)

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

21 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 the selling price of tangible personal property transferred as

1 an incident to the sale of service, but, for the purpose of
2 computing this tax, in no event shall the selling price be less
3 than the cost price of the property to the serviceman.

4 Beginning January 1, 2017, with respect to firearms, as
5 defined in Section 1.1 of the Firearm Owners Identification
6 Card Act, and firearm component parts that are sold separately
7 from the firearm and are necessary for the firearm to function
8 in its intended manner, the tax is imposed at the rate of 10%.

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

13 With respect to gasohol, as defined in the Use Tax Act, the
14 tax imposed by this Act applies to (i) 70% of the selling price
15 of property transferred as an incident to the sale of service
16 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
17 of the selling price of property transferred as an incident to
18 the sale of service on or after July 1, 2003 and on or before
19 December 31, 2018, and (iii) 100% of the selling price
20 thereafter. If, at any time, however, the tax under this Act on
21 sales of gasohol, as defined in the Use Tax Act, is imposed at
22 the rate of 1.25%, then the tax imposed by this Act applies to
23 100% of the proceeds of sales of gasohol made during that time.

24 With respect to majority blended ethanol fuel, as defined
25 in the Use Tax Act, the tax imposed by this Act does not apply
26 to the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before
2 December 31, 2018 but applies to 100% of the selling price
3 thereafter.

4 With respect to biodiesel blends, as defined in the Use Tax
5 Act, with no less than 1% and no more than 10% biodiesel, the
6 tax imposed by this Act applies to (i) 80% of the selling price
7 of property transferred as an incident to the sale of service
8 on or after July 1, 2003 and on or before December 31, 2018 and
9 (ii) 100% of the proceeds of the selling price thereafter. If,
10 at any time, however, the tax under this Act on sales of
11 biodiesel blends, as defined in the Use Tax Act, with no less
12 than 1% and no more than 10% biodiesel is imposed at the rate
13 of 1.25%, then the tax imposed by this Act applies to 100% of
14 the proceeds of sales of biodiesel blends with no less than 1%
15 and no more than 10% biodiesel made during that time.

16 With respect to 100% biodiesel, as defined in the Use Tax
17 Act, and biodiesel blends, as defined in the Use Tax Act, with
18 more than 10% but no more than 99% biodiesel, the tax imposed
19 by this Act does not apply to the proceeds of the selling price
20 of property transferred as an incident to the sale of service
21 on or after July 1, 2003 and on or before December 31, 2018 but
22 applies to 100% of the selling price thereafter.

23 At the election of any registered serviceman made for each
24 fiscal year, sales of service in which the aggregate annual
25 cost price of tangible personal property transferred as an
26 incident to the sales of service is less than 35%, or 75% in

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

7 The tax shall be imposed at the rate of 1% on food prepared
8 for immediate consumption and transferred incident to a sale of
9 service subject to this Act or the Service Occupation Tax Act
10 by an entity licensed under the Hospital Licensing Act, the
11 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
12 Act, the Specialized Mental Health Rehabilitation Act of 2013,
13 or the Child Care Act of 1969. The tax shall also be imposed at
14 the rate of 1% on food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, soft drinks, and food that has been
17 prepared for immediate consumption and is not otherwise
18 included in this paragraph) and prescription and
19 nonprescription medicines, drugs, medical appliances,
20 modifications to a motor vehicle for the purpose of rendering
21 it usable by a person with a disability, and insulin, urine
22 testing materials, syringes, and needles used by diabetics, for
23 human use. For the purposes of this Section, until September 1,
24 2009: the term "soft drinks" means any complete, finished,
25 ready-to-use, non-alcoholic drink, whether carbonated or not,
26 including but not limited to soda water, cola, fruit juice,

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

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

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

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

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

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

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

1 Beginning on January 1, 2014 (the effective date of Public
2 Act 98-122), "prescription and nonprescription medicines and
3 drugs" includes medical cannabis purchased from a registered
4 dispensing organization under the Compassionate Use of Medical
5 Cannabis Pilot Program Act.

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

13 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;
14 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.
15 7-29-15; revised 10-16-15.)

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
25 records, preparing and filing returns, remitting the tax and

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

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

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

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

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

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

26 The Department shall adopt such rules as are necessary to

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

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

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

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

23 Notwithstanding any other provision in this Act concerning
24 the time within which a serviceman may file his return, in the
25 case of any serviceman who ceases to engage in a kind of
26 business which makes him responsible for filing returns under

1 this Act, such serviceman shall file a final return under this
2 Act with the Department not more than 1 month after
3 discontinuing such business.

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

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

26 If experience indicates such action to be practicable, the

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

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

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

1 registered by an agency of this State's government.

2 Beginning February 1, 2017, each month the Department shall
3 pay into the State and Local Sales Tax Reform Fund 12.5% of the
4 net revenue realized for the preceding month from the 10% rate
5 on the selling price of firearms and firearm component parts.

6 Beginning February 1, 2017, each month the Department shall
7 pay into the At-Risk Youth Assistance Fund 37.5% of the net
8 revenue realized for the preceding month from the 10% rate on
9 the selling price of firearms and firearm component parts.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund 100% 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.

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

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

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

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

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

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

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

1 set forth in Section 12 of the Build Illinois Bond Act.

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

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

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	246,000,000
19	2022	260,000,000
20	2023	275,000,000
21	2024	275,000,000
22	2025	275,000,000
23	2026	279,000,000
24	2027	292,000,000
25	2028	307,000,000
26	2029	322,000,000

1	2030	338,000,000
2	2031	350,000,000
3	2032	350,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

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

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 July 1, 1993 and ending on September 30,
3 2013, the Department shall each month pay into the Illinois Tax
4 Increment Fund 0.27% of 80% of the net revenue realized for the
5 preceding month from the 6.25% general rate on the selling
6 price of tangible personal property.

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

20 Subject to payment of amounts into the Build Illinois Fund,
21 the McCormick Place Expansion Project Fund, the Illinois Tax
22 Increment Fund, and the Energy Infrastructure Fund pursuant to
23 the preceding paragraphs or in any amendments to this Section
24 hereafter enacted, beginning on the first day of the first
25 calendar month to occur on or after the effective date of this
26 amendatory Act of the 98th General Assembly, each month, from

1 the collections made under Section 9 of the Use Tax Act,
2 Section 9 of the Service Use Tax Act, Section 9 of the Service
3 Occupation Tax Act, and Section 3 of the Retailers' Occupation
4 Tax Act, the Department shall pay into the Tax Compliance and
5 Administration Fund, to be used, subject to appropriation, to
6 fund additional auditors and compliance personnel at the
7 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
8 the cash receipts collected during the preceding fiscal year by
9 the Audit Bureau of the Department under the Use Tax Act, the
10 Service Use Tax Act, the Service Occupation Tax Act, the
11 Retailers' Occupation Tax Act, and associated local occupation
12 and use taxes administered by the Department.

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

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

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

5 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
6 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
7 98-1098, eff. 8-26-14; 99-352, eff. 8-12-15.)

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

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

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

1 special order machinery or equipment, the tax imposed by this
2 Act shall be based on the serviceman's cost price of the
3 tangible personal property transferred incident to the
4 completion of the contract.

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

9 Beginning January 1, 2017, with respect to firearms, as
10 defined in Section 1.1 of the Firearm Owners Identification
11 Card Act, and firearm component parts that are sold separately
12 from the firearm and are necessary for the firearm to function
13 in its intended manner, the tax is imposed at the rate of 10%.

14 With respect to gasohol, as defined in the Use Tax Act, the
15 tax imposed by this Act shall apply to (i) 70% of the cost
16 price of property transferred as an incident to the sale of
17 service on or after January 1, 1990, and before July 1, 2003,
18 (ii) 80% of the selling price of property transferred as an
19 incident to the sale of service on or after July 1, 2003 and on
20 or before December 31, 2018, and (iii) 100% of the cost price
21 thereafter. If, at any time, however, the tax under this Act on
22 sales of gasohol, as defined in the Use Tax Act, is imposed at
23 the rate of 1.25%, then the tax imposed by this Act applies to
24 100% of the proceeds of sales of gasohol made during that time.

25 With respect to majority blended ethanol fuel, as defined
26 in the Use Tax Act, the tax imposed by this Act does not apply

1 to the selling price of property transferred as an incident to
2 the sale of service on or after July 1, 2003 and on or before
3 December 31, 2018 but applies to 100% of the selling price
4 thereafter.

5 With respect to biodiesel blends, as defined in the Use Tax
6 Act, with no less than 1% and no more than 10% biodiesel, the
7 tax imposed by this Act applies to (i) 80% of the selling price
8 of property transferred as an incident to the sale of service
9 on or after July 1, 2003 and on or before December 31, 2018 and
10 (ii) 100% of the proceeds of the selling price thereafter. If,
11 at any time, however, the tax under this Act on sales of
12 biodiesel blends, as defined in the Use Tax Act, with no less
13 than 1% and no more than 10% biodiesel is imposed at the rate
14 of 1.25%, then the tax imposed by this Act applies to 100% of
15 the proceeds of sales of biodiesel blends with no less than 1%
16 and no more than 10% biodiesel made during that time.

17 With respect to 100% biodiesel, as defined in the Use Tax
18 Act, and biodiesel blends, as defined in the Use Tax Act, with
19 more than 10% but no more than 99% biodiesel material, the tax
20 imposed by this Act does not apply to the proceeds of the
21 selling price of property transferred as an incident to the
22 sale of service on or after July 1, 2003 and on or before
23 December 31, 2018 but applies to 100% of the selling price
24 thereafter.

25 At the election of any registered serviceman made for each
26 fiscal year, sales of service in which the aggregate annual

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

9 The tax shall be imposed at the rate of 1% on food prepared
10 for immediate consumption and transferred incident to a sale of
11 service subject to this Act or the Service Occupation Tax Act
12 by an entity licensed under the Hospital Licensing Act, the
13 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
14 Act, the Specialized Mental Health Rehabilitation Act of 2013,
15 or the Child Care Act of 1969. The tax shall also be imposed at
16 the rate of 1% on food for human consumption that is to be
17 consumed off the premises where it is sold (other than
18 alcoholic beverages, soft drinks, and food that has been
19 prepared for immediate consumption and is not otherwise
20 included in this paragraph) and prescription and
21 nonprescription medicines, drugs, medical appliances,
22 modifications to a motor vehicle for the purpose of rendering
23 it usable by a person with a disability, and insulin, urine
24 testing materials, syringes, and needles used by diabetics, for
25 human use. For the purposes of this Section, until September 1,
26 2009: the term "soft drinks" means any complete, finished,

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

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

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

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

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

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

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

26 (B) A statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

3 Beginning on January 1, 2014 (the effective date of Public
4 Act 98-122), "prescription and nonprescription medicines and
5 drugs" includes medical cannabis purchased from a registered
6 dispensing organization under the Compassionate Use of Medical
7 Cannabis Pilot Program Act.

8 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;
9 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.
10 7-29-15; revised 10-16-15.)

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
25 registration has become final.

1 Where such tangible personal property is sold under a
2 conditional sales contract, or under any other form of sale
3 wherein the payment of the principal sum, or a part thereof, is
4 extended beyond the close of the period for which the return is
5 filed, the serviceman, in collecting the tax may collect, for
6 each tax return period, only the tax applicable to the part of
7 the selling price actually received during such tax return
8 period.

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

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

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from
25 which he engages in business as a serviceman in this State;
- 26 3. The total amount of taxable receipts received by him

1 during the preceding calendar month, including receipts
2 from charge and time sales, but less all deductions allowed
3 by law;

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

6 5. The amount of tax due;

7 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

26 Notwithstanding any other provision in this Act concerning

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

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

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

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

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

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

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

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

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

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

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

23 Beginning January 1, 1990, each month the Department shall
24 pay into the Local Government Tax Fund the revenue realized for
25 the preceding month from the 1% tax on sales of food for human
26 consumption which is to be consumed off the premises where it

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

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

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

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

22 Beginning February 1, 2017, each month the Department shall
23 pay into the Local Government Tax Fund 10% of the net revenue
24 realized for the preceding month from the 10% rate on the
25 selling price of firearms and firearm component parts.

26 Beginning February 1, 2017, each month the Department shall

1 pay into the County and Mass Transit District Fund 2.5% of the
2 net revenue realized for the preceding month from the 10% rate
3 on the selling price of firearms and firearm component parts.

4 Beginning February 1, 2017, each month the Department shall
5 pay into the At-Risk Youth Assistance Fund 37.5% of the net
6 revenue realized for the preceding month from the 10% rate on
7 the selling price of firearms and firearm component parts.

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

15 Beginning July 1, 2013, each month the Department shall pay
16 into the Underground Storage Tank Fund from the proceeds
17 collected under this Act, the Use Tax Act, the Service Use Tax
18 Act, and the Retailers' Occupation Tax Act an amount equal to
19 the average monthly deficit in the Underground Storage Tank
20 Fund during the prior year, as certified annually by the
21 Illinois Environmental Protection Agency, but the total
22 payment into the Underground Storage Tank Fund under this Act,
23 the Use Tax Act, the Service Use Tax Act, and the Retailers'
24 Occupation Tax Act shall not exceed \$18,000,000 in any State
25 fiscal year. As used in this paragraph, the "average monthly
26 deficit" shall be equal to the difference between the average

1 monthly claims for payment by the fund and the average monthly
2 revenues deposited into the fund, excluding payments made
3 pursuant to this paragraph.

4 Beginning July 1, 2015, of the remainder of the moneys
5 received by the Department under the Use Tax Act, the Service
6 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
7 each month the Department shall deposit \$500,000 into the State
8 Crime Laboratory Fund.

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

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

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

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

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

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

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

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

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

19 Subject to payment of amounts into the Build Illinois Fund
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, beginning July 1, 1993 and ending on September 30,
23 2013, the Department shall each month pay into the Illinois Tax
24 Increment Fund 0.27% of 80% of the net revenue realized for the
25 preceding month from the 6.25% general rate on the selling
26 price of tangible personal property.

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

14 Subject to payment of amounts into the Build Illinois Fund,
15 the McCormick Place Expansion Project Fund, the Illinois Tax
16 Increment Fund, and the Energy Infrastructure Fund pursuant to
17 the preceding paragraphs or in any amendments to this Section
18 hereafter enacted, beginning on the first day of the first
19 calendar month to occur on or after the effective date of this
20 amendatory Act of the 98th General Assembly, each month, from
21 the collections made under Section 9 of the Use Tax Act,
22 Section 9 of the Service Use Tax Act, Section 9 of the Service
23 Occupation Tax Act, and Section 3 of the Retailers' Occupation
24 Tax Act, the Department shall pay into the Tax Compliance and
25 Administration Fund, to be used, subject to appropriation, to
26 fund additional auditors and compliance personnel at the

1 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
2 the cash receipts collected during the preceding fiscal year by
3 the Audit Bureau of the Department under the Use Tax Act, the
4 Service Use Tax Act, the Service Occupation Tax Act, the
5 Retailers' Occupation Tax Act, and associated local occupation
6 and use taxes administered by the Department.

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

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

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

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

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

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

24 The chief executive officer, proprietor, owner or highest
25 ranking manager shall sign the annual return to certify the
26 accuracy of the information contained therein. Any person who

1 willfully signs the annual return containing false or
2 inaccurate information shall be guilty of perjury and punished
3 accordingly. The annual return form prescribed by the
4 Department shall include a warning that the person signing the
5 return may be liable for perjury.

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

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

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

21 For greater simplicity of administration, it shall be
22 permissible for manufacturers, importers and wholesalers whose
23 products are sold by numerous servicemen in Illinois, and who
24 wish to do so, to assume the responsibility for accounting and
25 paying to the Department all tax accruing under this Act with
26 respect to such sales, if the servicemen who are affected do

1 not make written objection to the Department to this
2 arrangement.

3 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
4 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
5 98-1098, eff. 8-26-14; 99-352, eff. 8-12-15.)

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

8 (35 ILCS 120/2-10)

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

13 Beginning January 1, 2017, with respect to firearms, as
14 defined in Section 1.1 of the Firearm Owners Identification
15 Card Act, and firearm component parts that are sold separately
16 from the firearm and are necessary for the firearm to function
17 in its intended manner, the tax is imposed at the rate of 10%.

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

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

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

16 With respect to gasohol, as defined in the Use Tax Act, the
17 tax imposed by this Act applies to (i) 70% of the proceeds of
18 sales made on or after January 1, 1990, and before July 1,
19 2003, (ii) 80% of the proceeds of sales made on or after July
20 1, 2003 and on or before December 31, 2018, and (iii) 100% of
21 the proceeds of sales made thereafter. If, at any time,
22 however, the tax under this Act on sales of gasohol, as defined
23 in the Use Tax Act, is imposed at the rate of 1.25%, then the
24 tax imposed by this Act applies to 100% of the proceeds of
25 sales of gasohol made during that time.

26 With respect to majority blended ethanol fuel, as defined

1 in the Use Tax Act, the tax imposed by this Act does not apply
2 to the proceeds of sales made on or after July 1, 2003 and on or
3 before December 31, 2018 but applies to 100% of the proceeds of
4 sales made thereafter.

5 With respect to biodiesel blends, as defined in the Use Tax
6 Act, with no less than 1% and no more than 10% biodiesel, the
7 tax imposed by this Act applies to (i) 80% of the proceeds of
8 sales made on or after July 1, 2003 and on or before December
9 31, 2018 and (ii) 100% of the proceeds of sales made
10 thereafter. If, at any time, however, the tax under this Act on
11 sales of biodiesel blends, as defined in the Use Tax Act, with
12 no less than 1% and no more than 10% biodiesel is imposed at
13 the rate of 1.25%, then the tax imposed by this Act applies to
14 100% of the proceeds of sales of biodiesel blends with no less
15 than 1% and no more than 10% biodiesel made during that time.

16 With respect to 100% biodiesel, as defined in the Use Tax
17 Act, and biodiesel blends, as defined in the Use Tax Act, with
18 more than 10% but no more than 99% biodiesel, the tax imposed
19 by this Act does not apply to the proceeds of sales made on or
20 after July 1, 2003 and on or before December 31, 2018 but
21 applies to 100% of the proceeds of sales made thereafter.

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

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

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

23 Until August 1, 2009, and notwithstanding any other
24 provisions of this Act, "food for human consumption that is to
25 be consumed off the premises where it is sold" includes all
26 food sold through a vending machine, except soft drinks and

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

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

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

1 this paragraph, "over-the-counter-drug" means a drug for human
2 use that contains a label that identifies the product as a drug
3 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
4 label includes:

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

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

9 Beginning on the effective date of this amendatory Act of
10 the 98th General Assembly, "prescription and nonprescription
11 medicines and drugs" includes medical cannabis purchased from a
12 registered dispensing organization under the Compassionate Use
13 of Medical Cannabis Pilot Program Act.

14 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15.)

15 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

21 1. The name of the seller;

22 2. His residence address and the address of his
23 principal place of business and the address of the
24 principal place of business (if that is a different
25 address) from which he engages in the business of selling

1 tangible personal property at retail in this State;

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

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

12 5. Deductions allowed by law;

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

16 7. The amount of credit provided in Section 2d of this
17 Act;

18 8. The amount of tax due;

19 9. The signature of the taxpayer; and

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

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

26 Each return shall be accompanied by the statement of

1 prepaid tax issued pursuant to Section 2e for which credit is
2 claimed.

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

24 The Department may require returns to be filed on a
25 quarterly basis. If so required, a return for each calendar
26 quarter shall be filed on or before the twentieth day of the

1 calendar month following the end of such calendar quarter. The
2 taxpayer shall also file a return with the Department for each
3 of the first two months of each calendar quarter, on or before
4 the twentieth day of the following calendar month, stating:

5 1. The name of the seller;

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

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

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

16 5. The amount of tax due; and

17 6. Such other reasonable information as the Department
18 may require.

19 Beginning on October 1, 2003, any person who is not a
20 licensed distributor, importing distributor, or manufacturer,
21 as defined in the Liquor Control Act of 1934, but is engaged in
22 the business of selling, at retail, alcoholic liquor shall file
23 a statement with the Department of Revenue, in a format and at
24 a time prescribed by the Department, showing the total amount
25 paid for alcoholic liquor purchased during the preceding month
26 and such other information as is reasonably required by the

1 Department. The Department may adopt rules to require that this
2 statement be filed in an electronic or telephonic format. Such
3 rules may provide for exceptions from the filing requirements
4 of this paragraph. For the purposes of this paragraph, the term
5 "alcoholic liquor" shall have the meaning prescribed in the
6 Liquor Control Act of 1934.

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

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

9 If a total amount of less than \$1 is payable, refundable or
10 creditable, such amount shall be disregarded if it is less than
11 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

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

26 Any amount which is required to be shown or reported on any

1 return or other document under this Act shall, if such amount
2 is not a whole-dollar amount, be increased to the nearest
3 whole-dollar amount in any case where the fractional part of a
4 dollar is 50 cents or more, and decreased to the nearest
5 whole-dollar amount where the fractional part of a dollar is
6 less than 50 cents.

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

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

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

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

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

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

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

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

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

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

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

1 sufficient identification of the property sold, and such other
2 information as the Department may reasonably require.

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

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

1 to such tangible personal property.

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

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

1 if the tax had been remitted to the Department by the retailer.

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

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

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

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

1 to Section 2d of this Act shall be included in the amount on
2 which such 2.1% or 1.75% discount is computed. In the case of
3 retailers who report and pay the tax on a transaction by
4 transaction basis, as provided in this Section, such discount
5 shall be taken with each such tax remittance instead of when
6 such retailer files his periodic return. The Department may
7 disallow the discount for retailers whose certificate of
8 registration is revoked at the time the return is filed, but
9 only if the Department's decision to revoke the certificate of
10 registration has become final.

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

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

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

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

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

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

1 liability is incurred begins on or after January 1, 1987, each
2 payment shall be in an amount equal to 22.5% of the taxpayer's
3 actual liability for the month or 26.25% of the taxpayer's
4 liability for the same calendar month of the preceding year.
5 The amount of such quarter monthly payments shall be credited
6 against the final tax liability of the taxpayer's return for
7 that month filed under this Section or Section 2f, as the case
8 may be. Once applicable, the requirement of the making of
9 quarter monthly payments to the Department pursuant to this
10 paragraph shall continue until such taxpayer's average monthly
11 prepaid tax collections during the preceding 2 complete
12 calendar quarters is \$25,000 or less. If any such quarter
13 monthly payment is not paid at the time or in the amount
14 required, the taxpayer shall be liable for penalties and
15 interest on such difference, except insofar as the taxpayer has
16 previously made payments for that month in excess of the
17 minimum payments previously due.

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

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

22 If any payment provided for in this Section exceeds the
23 taxpayer's liabilities under this Act, the Use Tax Act, the
24 Service Occupation Tax Act and the Service Use Tax Act, as
25 shown on an original monthly return, the Department shall, if
26 requested by the taxpayer, issue to the taxpayer a credit

1 memorandum no later than 30 days after the date of payment. The
2 credit evidenced by such credit memorandum may be assigned by
3 the taxpayer to a similar taxpayer under this Act, the Use Tax
4 Act, the Service Occupation Tax Act or the Service Use Tax Act,
5 in accordance with reasonable rules and regulations to be
6 prescribed by the Department. If no such request is made, the
7 taxpayer may credit such excess payment against tax liability
8 subsequently to be remitted to the Department under this Act,
9 the Use Tax Act, the Service Occupation Tax Act or the Service
10 Use Tax Act, in accordance with reasonable rules and
11 regulations prescribed by the Department. If the Department
12 subsequently determined that all or any part of the credit
13 taken was not actually due to the taxpayer, the taxpayer's 2.1%
14 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
15 of the difference between the credit taken and that actually
16 due, and that taxpayer shall be liable for penalties and
17 interest on such difference.

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

23 Beginning January 1, 1990, each month the Department shall
24 pay into the Local Government Tax Fund, a special fund in the
25 State treasury which is hereby created, the net revenue
26 realized for the preceding month from the 1% tax on sales of

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

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

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

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

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

1 selling price of motor fuel and gasohol. Beginning September 1,
2 2010, each month the Department shall pay into the Local
3 Government Tax Fund 80% of the net revenue realized for the
4 preceding month from the 1.25% rate on the selling price of
5 sales tax holiday items.

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

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

22 Beginning July 1, 2013, each month the Department shall pay
23 into the Underground Storage Tank Fund from the proceeds
24 collected under this Act, the Use Tax Act, the Service Use Tax
25 Act, and the Service Occupation Tax Act an amount equal to the
26 average monthly deficit in the Underground Storage Tank Fund

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

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

16 Beginning February 1, 2017, each month the Department shall
17 pay into the Local Government Tax Fund 10% of the net revenue
18 realized for the preceding month from the 10% rate on the
19 selling price of firearms and firearm component parts.

20 Beginning February 1, 2017, each month the Department shall
21 pay into the County and Mass Transit District Fund 2.5% of the
22 net revenue realized for the preceding month from the 10% rate
23 on the selling price of firearms and firearm component parts.

24 Beginning February 1, 2017, each month the Department shall
25 pay into the At-Risk Youth Assistance Fund 37.5% of the net
26 revenue realized for the preceding month from the 10% rate on

1 the selling price of firearms and firearm component parts.

2 Of the remainder of the moneys received by the Department
3 pursuant to this Act, (a) 1.75% thereof shall be paid into the
4 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
5 and after July 1, 1989, 3.8% thereof shall be paid into the
6 Build Illinois Fund; provided, however, that if in any fiscal
7 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
8 may be, of the moneys received by the Department and required
9 to be paid into the Build Illinois Fund pursuant to this Act,
10 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
11 Act, and Section 9 of the Service Occupation Tax Act, such Acts
12 being hereinafter called the "Tax Acts" and such aggregate of
13 2.2% or 3.8%, as the case may be, of moneys being hereinafter
14 called the "Tax Act Amount", and (2) the amount transferred to
15 the Build Illinois Fund from the State and Local Sales Tax
16 Reform Fund shall be less than the Annual Specified Amount (as
17 hereinafter defined), an amount equal to the difference shall
18 be immediately paid into the Build Illinois Fund from other
19 moneys received by the Department pursuant to the Tax Acts; the
20 "Annual Specified Amount" means the amounts specified below for
21 fiscal years 1986 through 1993:

22	Fiscal Year	Annual Specified Amount
23	1986	\$54,800,000
24	1987	\$76,650,000
25	1988	\$80,480,000
26	1989	\$88,510,000

1	1990	\$115,330,000
2	1991	\$145,470,000
3	1992	\$182,730,000
4	1993	\$206,520,000;

5 and means the Certified Annual Debt Service Requirement (as
6 defined in Section 13 of the Build Illinois Bond Act) or the
7 Tax Act Amount, whichever is greater, for fiscal year 1994 and
8 each fiscal year thereafter; and further provided, that if on
9 the last business day of any month the sum of (1) the Tax Act
10 Amount required to be deposited into the Build Illinois Bond
11 Account in the Build Illinois Fund during such month and (2)
12 the amount transferred to the Build Illinois Fund from the
13 State and Local Sales Tax Reform Fund shall have been less than
14 1/12 of the Annual Specified Amount, an amount equal to the
15 difference shall be immediately paid into the Build Illinois
16 Fund from other moneys received by the Department pursuant to
17 the Tax Acts; and, further provided, that in no event shall the
18 payments required under the preceding proviso result in
19 aggregate payments into the Build Illinois Fund pursuant to
20 this clause (b) for any fiscal year in excess of the greater of
21 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
22 such fiscal year. The amounts payable into the Build Illinois
23 Fund under clause (b) of the first sentence in this paragraph
24 shall be payable only until such time as the aggregate amount
25 on deposit under each trust indenture securing Bonds issued and
26 outstanding pursuant to the Build Illinois Bond Act is

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

1 Act.

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

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

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	246,000,000
19	2022	260,000,000
20	2023	275,000,000
21	2024	275,000,000
22	2025	275,000,000
23	2026	279,000,000
24	2027	292,000,000
25	2028	307,000,000
26	2029	322,000,000

1	2030	338,000,000
2	2031	350,000,000
3	2032	350,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

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

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 July 1, 1993 and ending on September 30,
3 2013, the Department shall each month pay into the Illinois Tax
4 Increment Fund 0.27% of 80% of the net revenue realized for the
5 preceding month from the 6.25% general rate on the selling
6 price of tangible personal property.

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

20 Subject to payment of amounts into the Build Illinois Fund,
21 the McCormick Place Expansion Project Fund, the Illinois Tax
22 Increment Fund, and the Energy Infrastructure Fund pursuant to
23 the preceding paragraphs or in any amendments to this Section
24 hereafter enacted, beginning on the first day of the first
25 calendar month to occur on or after the effective date of this
26 amendatory Act of the 98th General Assembly, each month, from

1 the collections made under Section 9 of the Use Tax Act,
2 Section 9 of the Service Use Tax Act, Section 9 of the Service
3 Occupation Tax Act, and Section 3 of the Retailers' Occupation
4 Tax Act, the Department shall pay into the Tax Compliance and
5 Administration Fund, to be used, subject to appropriation, to
6 fund additional auditors and compliance personnel at the
7 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
8 the cash receipts collected during the preceding fiscal year by
9 the Audit Bureau of the Department under the Use Tax Act, the
10 Service Use Tax Act, the Service Occupation Tax Act, the
11 Retailers' Occupation Tax Act, and associated local occupation
12 and use taxes administered by the Department.

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

1 reported in the Federal income tax return do not agree with the
2 gross receipts reported to the Department of Revenue for the
3 same period, the retailer shall attach to his annual return a
4 schedule showing a reconciliation of the 2 amounts and the
5 reasons for the difference. The retailer's annual return to the
6 Department shall also disclose the cost of goods sold by the
7 retailer during the year covered by such return, opening and
8 closing inventories of such goods for such year, costs of goods
9 used from stock or taken from stock and given away by the
10 retailer during such year, payroll information of the
11 retailer's business during such year and any additional
12 reasonable information which the Department deems would be
13 helpful in determining the accuracy of the monthly, quarterly
14 or annual returns filed by such retailer as provided for in
15 this Section.

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

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

26 (ii) On and after January 1, 1994, the taxpayer shall

1 be liable for a penalty as described in Section 3-4 of the
2 Uniform Penalty and Interest Act.

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

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

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

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

26 For greater simplicity of administration, manufacturers,

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

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

24 Any person engaged in the business of selling tangible
25 personal property at retail as a concessionaire or other type
26 of seller at the Illinois State Fair, county fairs, art shows,

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

18 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
19 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.
20 8-26-14; 99-352, eff. 8-12-15.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.