

1 AMENDMENT TO HOUSE BILL 1599

2 AMENDMENT NO. _____. Amend House Bill 1599 by replacing
3 the title with the following:

4 "AN ACT regarding Illinois resource development and
5 energy security."; and

6 by replacing everything after the enacting clause with the
7 following:

8 "Section 1. Short title. This Act may be cited as the
9 Illinois Resource Development and Energy Security Act.

10 Section 5. Findings. The General Assembly finds that:

11 (a) Growth of the State's population and economic base
12 has created a need for new electric generation capacity in
13 Illinois.

14 (b) Illinois has considerable natural resources that are
15 currently underutilized and could support development of new
16 electric power at an affordable price.

17 (c) The development of new electric generating capacity
18 is needed if the State is to continue to be successful in
19 attracting new businesses and jobs.

20 (d) Certain regions of the State, such as Southern
21 Illinois, could benefit greatly from new employment

1 opportunities created by development of electric generating
2 plants utilizing the plentiful supply of Illinois coal.

3 (e) Technology can be deployed that allows high-sulfur
4 Illinois coal to be burned efficiently while meeting strict
5 State and federal air quality limitations. Specifically, the
6 State of Illinois will encourage the use of advanced clean
7 coal technology, such as coal gasification.

8 (f) Renewable forms of energy should be promoted as an
9 important element of the energy and environmental policies of
10 the State and it is a goal of the State that at least 5% of
11 the State's energy production and use be derived from
12 renewable forms of energy by 2010 and at least 15% from
13 renewable forms of energy by 2020.

14 Section 10. Definitions. As used in this Act:

15 "Department" means the Illinois Department of Commerce
16 and Community Affairs.

17 Section 15. Purpose. The State of Illinois and its
18 people will benefit for many years to come if new electric
19 generating facilities are built that increase the in-State
20 capacity to provide for current and anticipated electricity
21 demand at a competitive price. The purpose of this Act is to
22 enhance the State's energy security by ensuring that: (i) the
23 State's vast and underutilized coal resources are tapped as a
24 fuel source for new electric plants; (ii) the electric
25 transmission system within the State is upgraded to more
26 efficiently distribute additional amounts of electricity;
27 (iii) well-paying jobs are created as new electric plants are
28 built in regions of the State with relatively high
29 unemployment; and (iv) pilot projects are undertaken to
30 explore the capacity of new, often renewable sources of
31 energy to contribute to the State's energy security.

1 Section 20. Rules. The Department is authorized to
2 adopt rules necessary to administer the requirements of this
3 Act. The Department may implement this Act through the use
4 of emergency rules in accordance with the provisions of
5 Section 5-45 of the Illinois Administrative Procedure Act.
6 For purposes of the Illinois Administrative Procedure Act,
7 the adoption of rules to implement this Act shall be deemed
8 an emergency and necessary for the public interest, safety,
9 and welfare.

10 Section 905. The Department of Commerce and Community
11 Affairs Law of the Civil Administrative Code of Illinois is
12 amended by adding Section 605-332 as follows:

13 (20 ILCS 605/605-332 new)

14 Sec. 605-332. Financial assistance to energy generation
15 facilities.

16 (a) As used in this Section:

17 "New electric generating facility" means a
18 newly-constructed electric generation plant or a newly
19 constructed generation capacity expansion at an existing
20 facility, including the transmission lines and associated
21 equipment that transfers electricity from points of supply to
22 points of delivery, and for which foundation construction
23 commenced not sooner than July 1, 2001, which is designed to
24 provide baseload electric generation operating on a
25 continuous basis throughout the year; and which has an
26 aggregate rated generating capacity of at least 400 megawatts
27 for all new units at one site, uses coal or gases derived
28 from coal as its primary fuel source, and supports the
29 creation of at least 150 new Illinois coal mining jobs.

30 "Eligible business" means an entity that proposes to
31 construct a new electric generating facility and that has
32 applied to the Department to receive financial assistance

1 pursuant to this Section. With respect to use and occupation
2 taxes, wherever there is a reference to taxes, that reference
3 means only those taxes paid on Illinois-mined coal used in a
4 new electric generating facility.

5 "Department" means the Illinois Department of Commerce
6 and Community Affairs.

7 (b) The Department is authorized to provide financial
8 assistance to eligible businesses for new electric generating
9 facilities from funds appropriated by the General Assembly as
10 further provided in this Section.

11 An eligible business seeking qualification for financial
12 assistance for a new electric generating facility, for
13 purposes of this Section only, shall apply to the Department
14 in the manner specified by the Department. An application
15 shall include, but not be limited to:

16 (1) the completion date of the new electric
17 generating facility for which financial assistance is
18 sought;

19 (2) copies of documentation deemed acceptable by
20 the Department establishing the total State occupation
21 and use taxes paid on Illinois-mined coal used at the new
22 electric generating facility for a minimum of 4 preceding
23 calendar quarters; and

24 (3) the amount of capital investment by the
25 eligible business in the new electric generating
26 facility.

27 The Department shall determine the maximum amount of
28 financial assistance for eligible businesses in accordance
29 with this paragraph. The Department shall not provide
30 financial assistance from general obligation bond funds to
31 any eligible business unless it receives a written
32 certification from the Director of the Bureau of the Budget
33 that 80% of the State occupation and use tax receipts for a
34 minimum of the preceding 4 calendar quarters for all eligible

1 businesses equal or exceed 110% of the maximum annual debt
2 service required with respect to general obligation bonds
3 issued for that purpose. The Department may provide
4 financial assistance not to exceed the amount of State
5 general obligation debt calculated as above, the amount of
6 capital investment in the energy generation facility, or
7 \$100,000,000, whichever is less. Financial assistance
8 received pursuant to this Section may be used for capital
9 facilities consisting of buildings, structures, durable
10 equipment, and land at the new electric generating facility.

11 An eligible business shall file a monthly report with the
12 Illinois Department of Revenue stating the amount of
13 Illinois-mined coal purchased during the previous month for
14 use in the new electric generating facility, the purchase
15 price of that coal, the amount of State occupation and use
16 taxes paid on that purchase to the seller of the
17 Illinois-mined coal, and such other information as that
18 Department may reasonably require. In sales of
19 Illinois-mined coal between related parties, the purchase
20 price of the coal must have been determined in an arms-length
21 transaction. The report shall be filed with the Illinois
22 Department of Revenue on or before the 20th day of each month
23 on a form provided by that Department. However, no report
24 need be filed by an eligible business in a month when it made
25 no reportable purchases of coal in the previous month. The
26 Illinois Department of Revenue shall provide a summary of
27 such reports to the Bureau of the Budget.

28 Upon granting financial assistance to an eligible
29 business, the Department shall certify the name of the
30 eligible business to the Illinois Department of Revenue.
31 Beginning with the receipt of the first report of State
32 occupation and use taxes paid by an eligible business and
33 continuing for a 25-year period, the Illinois Department of
34 Revenue shall each month pay into the Energy Infrastructure

1 Fund 80% of the net revenue realized from the 6.25% general
2 rate on the selling price of Illinois-mined coal that was
3 sold to an eligible business.

4 Section 910. The Illinois Enterprise Zone Act is amended
5 by changing Section 5.5 as follows:

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

8 (a) In order to respond to unique opportunities to
9 assist in the encouragement, development, growth and
10 expansion of the private sector through large scale
11 investment and development projects, the Department is
12 authorized to receive and approve applications for the
13 designation of "High Impact Businesses" in Illinois subject
14 to the following conditions:

15 (1) such applications may be submitted at any time
16 during the year;

17 (2) such business is not located, at the time of
18 designation, in an enterprise zone designated pursuant to
19 this Act;

20 (3) (A) the business intends to make a minimum
21 investment of \$12,000,000 which will be placed in
22 service in qualified property and intends to create
23 500 full-time equivalent jobs at a designated
24 location in Illinois or intends to make a minimum
25 investment of \$30,000,000 which will be placed in
26 service in qualified property and intends to retain
27 1,500 full-time jobs at a designated location in
28 Illinois. The business must certify in writing that
29 the investments would not be placed in service in
30 qualified property and the job creation or job
31 retention would not occur without the tax credits
32 and exemptions set forth in subsection (b) of this

1 Section. The terms "placed in service" and
2 "qualified property" have the same meanings as
3 described in subsection (h) of Section 201 of the
4 Illinois Income Tax Act; or

5 (B) the business intends to establish a new
6 electric generating facility at a designated
7 location in Illinois. "New electric generating
8 facility" for purposes of this Section means a
9 newly-constructed electric generation plant or a
10 newly-constructed generation capacity expansion at
11 an existing electric generation plant, including the
12 transmission lines and associated equipment that
13 transfers electricity from points of supply to
14 points of delivery, and for which such new
15 foundation construction commenced not sooner than
16 July 1, 2001. Such facility shall be designed to
17 provide baseload electric generation and shall
18 operate on a continuous basis throughout the year;
19 and shall have an aggregate rated generating
20 capacity of at least 1,000 megawatts for all new
21 units at one site if it uses natural gas as its
22 primary fuel and foundation construction of the
23 facility is commenced on or before December 31,
24 2004, or shall have an aggregate rated generating
25 capacity of at least 400 megawatts for all new units
26 at one site if it uses coal or gases derived from
27 coal as its primary fuel and shall support the
28 creation of at least 150 new Illinois coal mining
29 jobs. The business must certify in writing that the
30 investments necessary to establish a new electric
31 generating facility would not be placed in service
32 and the job creation in the case of a coal-fueled
33 plant would not occur without the tax credits and
34 exemptions set forth in subsection (b-5) of this

1 Section. The term "placed in service" has the same
2 meaning as described in subsection (h) of Section
3 201 of the Illinois Income Tax Act; or

4 (C) the business intends to establish
5 production operations at a new coal mine,
6 re-establish production operations at a closed coal
7 mine, or expand production at an existing coal mine
8 at a designated location in Illinois not sooner than
9 July 1, 2001; provided that the production
10 operations result in the creation of 150 new
11 Illinois coal mining jobs as described in
12 subdivision (a)(3)(B) of this Section, and further
13 provided that the coal extracted from such mine is
14 utilized as the predominant source for a new
15 electric generating facility. The business must
16 certify in writing that the investments necessary to
17 establish a new, expanded, or reopened coal mine
18 would not be placed in service and the job creation
19 would not occur without the tax credits and
20 exemptions set forth in subsection (b-5) of this
21 Section. The term "placed in service" has the same
22 meaning as described in subsection (h) of Section
23 201 of the Illinois Income Tax Act; or

24 (D) the business intends to construct new
25 transmission facilities or upgrade existing
26 transmission facilities at designated locations in
27 Illinois, for which construction commenced not
28 sooner than July 1, 2001. For the purposes of this
29 Section, "transmission facilities" means
30 transmission lines with a voltage rating of 115
31 kilovolts or above, including associated equipment,
32 that transfer electricity from points of supply to
33 points of delivery and that transmit a majority of
34 the electricity generated by a new electric

1 generating facility designated as a High Impact
2 Business in accordance with this Section. The
3 business must certify in writing that the
4 investments necessary to construct new transmission
5 facilities or upgrade existing transmission
6 facilities would not be placed in service without
7 the tax credits and exemptions set forth in
8 subsection (b-5) of this Section. The term "placed
9 in service" has the same meaning as described in
10 subsection (h) of Section 201 of the Illinois Income
11 Tax Act; and

12 (4) no later than 90 days after an application is
13 submitted, the Department shall notify the applicant of
14 the Department's determination of the qualification of
15 the proposed High Impact Business under this Section.

16 (b) Businesses designated as High Impact Businesses
17 pursuant to subdivision (a)(3)(A) of this Section shall
18 qualify for the credits and exemptions described in the
19 following Acts: Section 9-222 and Section 9-222.1A of The
20 Public Utilities Act, subsection (h) of Section 201 of the
21 Illinois Income Tax Act; and, Section 1d of the Retailers'
22 Occupation Tax Act, provided that these credits and
23 exemptions described in these Acts shall not be authorized
24 until the minimum investments set forth in subdivision
25 (a)(3)(A) subsection-(a) of this Section have been placed in
26 service in qualified properties and, in the case of the
27 exemptions described in the Public Utilities Act and Section
28 1d of the Retailers' Occupation Tax Act, the minimum
29 full-time equivalent jobs or full-time jobs set forth in
30 subdivision (a)(3)(A) subsection-(a) of this Section have
31 been created or retained. Businesses designated as High
32 Impact Businesses under this Section shall also qualify for
33 the exemption described in Section 51 of the Retailers'
34 Occupation Tax Act. The credit provided in subsection (h) of

1 Section 201 of the Illinois Income Tax Act shall be
2 applicable to investments in qualified property as set forth
3 in subdivision (a)(3)(A) subsection-(a) of this Section.

4 (b-5) Businesses designated as High Impact Businesses
5 pursuant to subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D)
6 of this Section shall qualify for the credits and exemptions
7 described in the following Acts: Section 51 of the
8 Retailers' Occupation Tax Act, Section 9-222 and Section
9 9-222.1A of the Public Utilities Act, and subsection (h) of
10 Section 201 of the Illinois Income Tax Act; however, the
11 credits and exemptions authorized under Section 9-222 and
12 Section 9-222.1A of the Public Utilities Act, and subsection
13 (h) of Section 201 of the Illinois Income Tax Act shall not
14 be authorized until the new electric generating facility, the
15 new transmission facility, or the new, expanded, or reopened
16 coal mine is operational, except that a new electric
17 generating facility whose primary fuel source is natural gas
18 is eligible only for the exemption under Section 51 of the
19 Retailers' Occupation Tax Act.

20 (c) High Impact Businesses located in federally
21 designated foreign trade zones or sub-zones are also eligible
22 for additional credits, exemptions and deductions as
23 described in the following Acts: Section 9-221 and Section
24 9-222.1 of the Public Utilities Act; and subsection (g) of
25 Section 201, and Section 203 of the Illinois Income Tax Act.

26 (d) Existing Illinois businesses which apply for
27 designation as a High Impact Business must provide the
28 Department with the prospective plan for which 1,500
29 full-time jobs would be eliminated in the event that the
30 business is not designated.

31 (e) New proposed facilities which apply for designation
32 as High Impact Business must provide the Department with
33 proof of alternative non-Illinois sites which would receive
34 the proposed investment and job creation in the event that

1 the business is not designated as a High Impact Business.

2 (f) In the event that a business is designated a High
3 Impact Business and it is later determined after reasonable
4 notice and an opportunity for a hearing as provided under The
5 Illinois Administrative Procedure Act, that the business
6 would have placed in service in qualified property the
7 investments and created or retained the requisite number of
8 jobs without the benefits of the High Impact Business
9 designation, the Department shall be required to immediately
10 revoke the designation and notify the Director of the
11 Department of Revenue who shall begin proceedings to recover
12 all wrongfully exempted State taxes with interest. The
13 business shall also be ineligible for all State funded
14 Department programs for a period of 10 years.

15 (g) The Department shall revoke a High Impact Business
16 designation if the participating business fails to comply
17 with the terms and conditions of the designation.

18 (h) Prior to designating a business, the Department
19 shall provide the members of the General Assembly and
20 Illinois Economic and Fiscal Commission with a report setting
21 forth the terms and conditions of the designation and
22 guarantees that have been received by the Department in
23 relation to the proposed business being designated.

24 (Source: P.A. 91-914, eff. 7-7-00.)

25 Section 912. The Renewable Energy, Energy Efficiency,
26 and Coal Resources Development Law of 1997 is amended by
27 changing Section 6-3 as follows:

28 (20 ILCS 687/6-3)

29 (Section scheduled to be repealed on December 16, 2007)

30 Sec. 6-3. Renewable energy resources program.

31 (a) The Department of Commerce and Community Affairs, to
32 be called the "Department" hereinafter in this Law, shall

1 administer the Renewable Energy Resources Program to provide
2 grants, loans, and other incentives to foster investment in
3 and the development and use of renewable energy resources.

4 (b) The Department shall establish eligibility criteria
5 for grants, loans, and other incentives to foster investment
6 in and the development and use of renewable energy resources.
7 These criteria shall be reviewed annually and adjusted as
8 necessary. The criteria should promote the goal of fostering
9 investment in and the development and use, in Illinois, of
10 renewable energy resources.

11 (c) The Department shall accept applications for grants,
12 loans, and other incentives to foster investment in and the
13 development and use of renewable energy resources.

14 (d) To the extent that funds are available and
15 appropriated, the Department shall provide grants, loans, and
16 other incentives to applicants that meet the criteria
17 specified by the Department.

18 (e) The Department shall conduct an annual study on the
19 use and availability of renewable energy resources in
20 Illinois. Each year, the Department shall submit a report on
21 the study to the General Assembly. This report shall include
22 suggestions for legislation which will encourage the
23 development and use of renewable energy resources.

24 (f) As used in this Law, "renewable energy resources"
25 includes energy from wind, solar thermal energy, photovoltaic
26 cells and panels, dedicated crops grown for energy production
27 and organic waste biomass, hydropower that does not involve
28 new construction or significant expansion of hydropower dams,
29 and other such alternative sources of environmentally
30 preferable energy. "Renewable energy resources" does not
31 include, however, energy from the incineration, burning or
32 heating of waste wood, tires, garbage, general household,
33 institutional and commercial waste, industrial lunchroom or
34 office waste, landscape waste, or construction or demolition

1 debris.

2 (g) There is created the Energy Efficiency Investment
3 Fund as a special fund in the State Treasury, to be
4 administered by the Department to support the development of
5 technologies for wind, biomass, and solar power in Illinois.
6 The Department may accept private and public funds, including
7 federal funds, for deposit into the Fund.

8 (Source: P.A. 90-561, eff. 12-16-97.)

9 Section 915. The State Finance Act is amended by adding
10 Sections 5.545, 5.546, and 6z-51 as follows:

11 (30 ILCS 105/5.545 new)

12 Sec. 5.545. The Energy Infrastructure Fund.

13 (30 ILCS 105/5.546 new)

14 Sec. 5.546. The Energy Efficiency Investment Fund.

15 (30 ILCS 105/6z-51 new)

16 Sec. 6z-51. The Energy Infrastructure Fund.

17 (a) The Energy Infrastructure Fund is created as a
18 special fund in the State treasury.

19 (b) Money in the Energy Infrastructure Fund shall, if
20 and when the State of Illinois issues any bonded indebtedness
21 for financial assistance to new electric generating
22 facilities, as provided in Section 605-332 of the Department
23 of Commerce and Community Affairs Law of the Civil
24 Administrative Code of Illinois, be set aside and used for
25 the purpose of paying and discharging annually the principal
26 and interest on that bonded indebtedness then due and
27 payable, and for no other purpose.

28 In addition to other transfers to the General Obligation
29 Bond Retirement and Interest Fund made pursuant to Section 15
30 of the General Obligation Bond Act, upon each delivery of

1 bonds issued for financial assistance to new electric
2 generating facilities under Section 605-332 of the Department
3 of Commerce and Community Affairs Law of the Civil
4 Administrative Code of Illinois, the State Comptroller shall
5 compute and certify to the State Treasurer the total amount
6 of principal and interest, and premium, if any, on such bonds
7 during the then current and each succeeding fiscal year. On
8 or before the last day of each month, the State Treasurer and
9 the State Comptroller shall transfer from the Energy
10 Infrastructure Fund to the General Obligation Bond Retirement
11 and Interest Fund an amount sufficient to pay the aggregate
12 of the principal of, interest on, and premium, if any, on the
13 bonds payable on their next payment date, divided by the
14 number of monthly transfers occurring between the last
15 previous payment date (or the delivery date if no payment
16 date has yet occurred) and the next succeeding payment date.

17 (c) To the extent that moneys in the Energy
18 Infrastructure Fund, in the opinion of the Governor and the
19 Director of the Bureau of the Budget, are in excess of 125%
20 of the maximum debt service in any fiscal year, such surplus
21 shall, subject to appropriation, be used by the Department of
22 Commerce and Community Affairs for financial assistance under
23 other coal development programs administered by the
24 Department, in accordance with the rules of the Department or
25 for other State purposes subject to appropriation.

26 Section 918. The Illinois Income Tax Act is amended by
27 changing Section 201 as follows:

28 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

29 Sec. 201. Tax Imposed.

30 (a) In general. A tax measured by net income is hereby
31 imposed on every individual, corporation, trust and estate
32 for each taxable year ending after July 31, 1969 on the

1 privilege of earning or receiving income in or as a resident
2 of this State. Such tax shall be in addition to all other
3 occupation or privilege taxes imposed by this State or by any
4 municipal corporation or political subdivision thereof.

5 (b) Rates. The tax imposed by subsection (a) of this
6 Section shall be determined as follows, except as adjusted by
7 subsection (d-1):

8 (1) In the case of an individual, trust or estate,
9 for taxable years ending prior to July 1, 1989, an amount
10 equal to 2 1/2% of the taxpayer's net income for the
11 taxable year.

12 (2) In the case of an individual, trust or estate,
13 for taxable years beginning prior to July 1, 1989 and
14 ending after June 30, 1989, an amount equal to the sum of
15 (i) 2 1/2% of the taxpayer's net income for the period
16 prior to July 1, 1989, as calculated under Section 202.3,
17 and (ii) 3% of the taxpayer's net income for the period
18 after June 30, 1989, as calculated under Section 202.3.

19 (3) In the case of an individual, trust or estate,
20 for taxable years beginning after June 30, 1989, an
21 amount equal to 3% of the taxpayer's net income for the
22 taxable year.

23 (4) (Blank).

24 (5) (Blank).

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of
27 the taxpayer's net income for the taxable year.

28 (7) In the case of a corporation, for taxable years
29 beginning prior to July 1, 1989 and ending after June 30,
30 1989, an amount equal to the sum of (i) 4% of the
31 taxpayer's net income for the period prior to July 1,
32 1989, as calculated under Section 202.3, and (ii) 4.8% of
33 the taxpayer's net income for the period after June 30,
34 1989, as calculated under Section 202.3.

1 (8) In the case of a corporation, for taxable years
2 beginning after June 30, 1989, an amount equal to 4.8% of
3 the taxpayer's net income for the taxable year.

4 (c) Beginning on July 1, 1979 and thereafter, in
5 addition to such income tax, there is also hereby imposed the
6 Personal Property Tax Replacement Income Tax measured by net
7 income on every corporation (including Subchapter S
8 corporations), partnership and trust, for each taxable year
9 ending after June 30, 1979. Such taxes are imposed on the
10 privilege of earning or receiving income in or as a resident
11 of this State. The Personal Property Tax Replacement Income
12 Tax shall be in addition to the income tax imposed by
13 subsections (a) and (b) of this Section and in addition to
14 all other occupation or privilege taxes imposed by this State
15 or by any municipal corporation or political subdivision
16 thereof.

17 (d) Additional Personal Property Tax Replacement Income
18 Tax Rates. The personal property tax replacement income tax
19 imposed by this subsection and subsection (c) of this Section
20 in the case of a corporation, other than a Subchapter S
21 corporation and except as adjusted by subsection (d-1), shall
22 be an additional amount equal to 2.85% of such taxpayer's net
23 income for the taxable year, except that beginning on January
24 1, 1981, and thereafter, the rate of 2.85% specified in this
25 subsection shall be reduced to 2.5%, and in the case of a
26 partnership, trust or a Subchapter S corporation shall be an
27 additional amount equal to 1.5% of such taxpayer's net income
28 for the taxable year.

29 (d-1) Rate reduction for certain foreign insurers. In
30 the case of a foreign insurer, as defined by Section 35A-5 of
31 the Illinois Insurance Code, whose state or country of
32 domicile imposes on insurers domiciled in Illinois a
33 retaliatory tax (excluding any insurer whose premiums from
34 reinsurance assumed are 50% or more of its total insurance

1 premiums as determined under paragraph (2) of subsection (b)
2 of Section 304, except that for purposes of this
3 determination premiums from reinsurance do not include
4 premiums from inter-affiliate reinsurance arrangements),
5 beginning with taxable years ending on or after December 31,
6 1999, the sum of the rates of tax imposed by subsections (b)
7 and (d) shall be reduced (but not increased) to the rate at
8 which the total amount of tax imposed under this Act, net of
9 all credits allowed under this Act, shall equal (i) the total
10 amount of tax that would be imposed on the foreign insurer's
11 net income allocable to Illinois for the taxable year by such
12 foreign insurer's state or country of domicile if that net
13 income were subject to all income taxes and taxes measured by
14 net income imposed by such foreign insurer's state or country
15 of domicile, net of all credits allowed or (ii) a rate of
16 zero if no such tax is imposed on such income by the foreign
17 insurer's state of domicile. For the purposes of this
18 subsection (d-1), an inter-affiliate includes a mutual
19 insurer under common management.

20 (1) For the purposes of subsection (d-1), in no
21 event shall the sum of the rates of tax imposed by
22 subsections (b) and (d) be reduced below the rate at
23 which the sum of:

24 (A) the total amount of tax imposed on such
25 foreign insurer under this Act for a taxable year,
26 net of all credits allowed under this Act, plus

27 (B) the privilege tax imposed by Section 409
28 of the Illinois Insurance Code, the fire insurance
29 company tax imposed by Section 12 of the Fire
30 Investigation Act, and the fire department taxes
31 imposed under Section 11-10-1 of the Illinois
32 Municipal Code,

33 equals 1.25% of the net taxable premiums written for the
34 taxable year, as described by subsection (1) of Section

1 409 of the Illinois Insurance Code. This paragraph will
2 in no event increase the rates imposed under subsections
3 (b) and (d).

4 (2) Any reduction in the rates of tax imposed by
5 this subsection shall be applied first against the rates
6 imposed by subsection (b) and only after the tax imposed
7 by subsection (a) net of all credits allowed under this
8 Section other than the credit allowed under subsection
9 (i) has been reduced to zero, against the rates imposed
10 by subsection (d).

11 This subsection (d-1) is exempt from the provisions of
12 Section 250.

13 (e) Investment credit. A taxpayer shall be allowed a
14 credit against the Personal Property Tax Replacement Income
15 Tax for investment in qualified property.

16 (1) A taxpayer shall be allowed a credit equal to
17 .5% of the basis of qualified property placed in service
18 during the taxable year, provided such property is placed
19 in service on or after July 1, 1984. There shall be
20 allowed an additional credit equal to .5% of the basis of
21 qualified property placed in service during the taxable
22 year, provided such property is placed in service on or
23 after July 1, 1986, and the taxpayer's base employment
24 within Illinois has increased by 1% or more over the
25 preceding year as determined by the taxpayer's employment
26 records filed with the Illinois Department of Employment
27 Security. Taxpayers who are new to Illinois shall be
28 deemed to have met the 1% growth in base employment for
29 the first year in which they file employment records with
30 the Illinois Department of Employment Security. The
31 provisions added to this Section by Public Act 85-1200
32 (and restored by Public Act 87-895) shall be construed as
33 declaratory of existing law and not as a new enactment.
34 If, in any year, the increase in base employment within

1 Illinois over the preceding year is less than 1%, the
2 additional credit shall be limited to that percentage
3 times a fraction, the numerator of which is .5% and the
4 denominator of which is 1%, but shall not exceed .5%.
5 The investment credit shall not be allowed to the extent
6 that it would reduce a taxpayer's liability in any tax
7 year below zero, nor may any credit for qualified
8 property be allowed for any year other than the year in
9 which the property was placed in service in Illinois. For
10 tax years ending on or after December 31, 1987, and on or
11 before December 31, 1988, the credit shall be allowed for
12 the tax year in which the property is placed in service,
13 or, if the amount of the credit exceeds the tax liability
14 for that year, whether it exceeds the original liability
15 or the liability as later amended, such excess may be
16 carried forward and applied to the tax liability of the 5
17 taxable years following the excess credit years if the
18 taxpayer (i) makes investments which cause the creation
19 of a minimum of 2,000 full-time equivalent jobs in
20 Illinois, (ii) is located in an enterprise zone
21 established pursuant to the Illinois Enterprise Zone Act
22 and (iii) is certified by the Department of Commerce and
23 Community Affairs as complying with the requirements
24 specified in clause (i) and (ii) by July 1, 1986. The
25 Department of Commerce and Community Affairs shall notify
26 the Department of Revenue of all such certifications
27 immediately. For tax years ending after December 31,
28 1988, the credit shall be allowed for the tax year in
29 which the property is placed in service, or, if the
30 amount of the credit exceeds the tax liability for that
31 year, whether it exceeds the original liability or the
32 liability as later amended, such excess may be carried
33 forward and applied to the tax liability of the 5 taxable
34 years following the excess credit years. The credit shall

1 be applied to the earliest year for which there is a
2 liability. If there is credit from more than one tax year
3 that is available to offset a liability, earlier credit
4 shall be applied first.

5 (2) The term "qualified property" means property
6 which:

7 (A) is tangible, whether new or used,
8 including buildings and structural components of
9 buildings and signs that are real property, but not
10 including land or improvements to real property that
11 are not a structural component of a building such as
12 landscaping, sewer lines, local access roads,
13 fencing, parking lots, and other appurtenances;

14 (B) is depreciable pursuant to Section 167 of
15 the Internal Revenue Code, except that "3-year
16 property" as defined in Section 168(c)(2)(A) of that
17 Code is not eligible for the credit provided by this
18 subsection (e);

19 (C) is acquired by purchase as defined in
20 Section 179(d) of the Internal Revenue Code;

21 (D) is used in Illinois by a taxpayer who is
22 primarily engaged in manufacturing, or in mining
23 coal or fluorite, or in retailing; and

24 (E) has not previously been used in Illinois
25 in such a manner and by such a person as would
26 qualify for the credit provided by this subsection
27 (e) or subsection (f).

28 (3) For purposes of this subsection (e),
29 "manufacturing" means the material staging and production
30 of tangible personal property by procedures commonly
31 regarded as manufacturing, processing, fabrication, or
32 assembling which changes some existing material into new
33 shapes, new qualities, or new combinations. For purposes
34 of this subsection (e) the term "mining" shall have the

1 same meaning as the term "mining" in Section 613(c) of
2 the Internal Revenue Code. For purposes of this
3 subsection (e), the term "retailing" means the sale of
4 tangible personal property or services rendered in
5 conjunction with the sale of tangible consumer goods or
6 commodities.

7 (4) The basis of qualified property shall be the
8 basis used to compute the depreciation deduction for
9 federal income tax purposes.

10 (5) If the basis of the property for federal income
11 tax depreciation purposes is increased after it has been
12 placed in service in Illinois by the taxpayer, the amount
13 of such increase shall be deemed property placed in
14 service on the date of such increase in basis.

15 (6) The term "placed in service" shall have the
16 same meaning as under Section 46 of the Internal Revenue
17 Code.

18 (7) If during any taxable year, any property ceases
19 to be qualified property in the hands of the taxpayer
20 within 48 months after being placed in service, or the
21 situs of any qualified property is moved outside Illinois
22 within 48 months after being placed in service, the
23 Personal Property Tax Replacement Income Tax for such
24 taxable year shall be increased. Such increase shall be
25 determined by (i) recomputing the investment credit which
26 would have been allowed for the year in which credit for
27 such property was originally allowed by eliminating such
28 property from such computation and, (ii) subtracting such
29 recomputed credit from the amount of credit previously
30 allowed. For the purposes of this paragraph (7), a
31 reduction of the basis of qualified property resulting
32 from a redetermination of the purchase price shall be
33 deemed a disposition of qualified property to the extent
34 of such reduction.

1 (8) Unless the investment credit is extended by
2 law, the basis of qualified property shall not include
3 costs incurred after December 31, 2003, except for costs
4 incurred pursuant to a binding contract entered into on
5 or before December 31, 2003.

6 (9) Each taxable year ending before December 31,
7 2000, a partnership may elect to pass through to its
8 partners the credits to which the partnership is entitled
9 under this subsection (e) for the taxable year. A
10 partner may use the credit allocated to him or her under
11 this paragraph only against the tax imposed in
12 subsections (c) and (d) of this Section. If the
13 partnership makes that election, those credits shall be
14 allocated among the partners in the partnership in
15 accordance with the rules set forth in Section 704(b) of
16 the Internal Revenue Code, and the rules promulgated
17 under that Section, and the allocated amount of the
18 credits shall be allowed to the partners for that taxable
19 year. The partnership shall make this election on its
20 Personal Property Tax Replacement Income Tax return for
21 that taxable year. The election to pass through the
22 credits shall be irrevocable.

23 For taxable years ending on or after December 31,
24 2000, a partner that qualifies its partnership for a
25 subtraction under subparagraph (I) of paragraph (2) of
26 subsection (d) of Section 203 or a shareholder that
27 qualifies a Subchapter S corporation for a subtraction
28 under subparagraph (S) of paragraph (2) of subsection (b)
29 of Section 203 shall be allowed a credit under this
30 subsection (e) equal to its share of the credit earned
31 under this subsection (e) during the taxable year by the
32 partnership or Subchapter S corporation, determined in
33 accordance with the determination of income and
34 distributive share of income under Sections 702 and 704

1 and Subchapter S of the Internal Revenue Code. This
2 paragraph is exempt from the provisions of Section 250.

3 (f) Investment credit; Enterprise Zone.

4 (1) A taxpayer shall be allowed a credit against
5 the tax imposed by subsections (a) and (b) of this
6 Section for investment in qualified property which is
7 placed in service in an Enterprise Zone created pursuant
8 to the Illinois Enterprise Zone Act. For partners,
9 shareholders of Subchapter S corporations, and owners of
10 limited liability companies, if the liability company is
11 treated as a partnership for purposes of federal and
12 State income taxation, there shall be allowed a credit
13 under this subsection (f) to be determined in accordance
14 with the determination of income and distributive share
15 of income under Sections 702 and 704 and Subchapter S of
16 the Internal Revenue Code. The credit shall be .5% of the
17 basis for such property. The credit shall be available
18 only in the taxable year in which the property is placed
19 in service in the Enterprise Zone and shall not be
20 allowed to the extent that it would reduce a taxpayer's
21 liability for the tax imposed by subsections (a) and (b)
22 of this Section to below zero. For tax years ending on or
23 after December 31, 1985, the credit shall be allowed for
24 the tax year in which the property is placed in service,
25 or, if the amount of the credit exceeds the tax liability
26 for that year, whether it exceeds the original liability
27 or the liability as later amended, such excess may be
28 carried forward and applied to the tax liability of the 5
29 taxable years following the excess credit year. The
30 credit shall be applied to the earliest year for which
31 there is a liability. If there is credit from more than
32 one tax year that is available to offset a liability, the
33 credit accruing first in time shall be applied first.

34 (2) The term qualified property means property

1 which:

2 (A) is tangible, whether new or used,
3 including buildings and structural components of
4 buildings;

5 (B) is depreciable pursuant to Section 167 of
6 the Internal Revenue Code, except that "3-year
7 property" as defined in Section 168(c)(2)(A) of that
8 Code is not eligible for the credit provided by this
9 subsection (f);

10 (C) is acquired by purchase as defined in
11 Section 179(d) of the Internal Revenue Code;

12 (D) is used in the Enterprise Zone by the
13 taxpayer; and

14 (E) has not been previously used in Illinois
15 in such a manner and by such a person as would
16 qualify for the credit provided by this subsection
17 (f) or subsection (e).

18 (3) The basis of qualified property shall be the
19 basis used to compute the depreciation deduction for
20 federal income tax purposes.

21 (4) If the basis of the property for federal income
22 tax depreciation purposes is increased after it has been
23 placed in service in the Enterprise Zone by the taxpayer,
24 the amount of such increase shall be deemed property
25 placed in service on the date of such increase in basis.

26 (5) The term "placed in service" shall have the
27 same meaning as under Section 46 of the Internal Revenue
28 Code.

29 (6) If during any taxable year, any property ceases
30 to be qualified property in the hands of the taxpayer
31 within 48 months after being placed in service, or the
32 situs of any qualified property is moved outside the
33 Enterprise Zone within 48 months after being placed in
34 service, the tax imposed under subsections (a) and (b) of

1 this Section for such taxable year shall be increased.
2 Such increase shall be determined by (i) recomputing the
3 investment credit which would have been allowed for the
4 year in which credit for such property was originally
5 allowed by eliminating such property from such
6 computation, and (ii) subtracting such recomputed credit
7 from the amount of credit previously allowed. For the
8 purposes of this paragraph (6), a reduction of the basis
9 of qualified property resulting from a redetermination of
10 the purchase price shall be deemed a disposition of
11 qualified property to the extent of such reduction.

12 (g) Jobs Tax Credit; Enterprise Zone and Foreign Trade
13 Zone or Sub-Zone.

14 (1) A taxpayer conducting a trade or business in an
15 enterprise zone or a High Impact Business designated by
16 the Department of Commerce and Community Affairs
17 conducting a trade or business in a federally designated
18 Foreign Trade Zone or Sub-Zone shall be allowed a credit
19 against the tax imposed by subsections (a) and (b) of
20 this Section in the amount of \$500 per eligible employee
21 hired to work in the zone during the taxable year.

22 (2) To qualify for the credit:

23 (A) the taxpayer must hire 5 or more eligible
24 employees to work in an enterprise zone or federally
25 designated Foreign Trade Zone or Sub-Zone during the
26 taxable year;

27 (B) the taxpayer's total employment within the
28 enterprise zone or federally designated Foreign
29 Trade Zone or Sub-Zone must increase by 5 or more
30 full-time employees beyond the total employed in
31 that zone at the end of the previous tax year for
32 which a jobs tax credit under this Section was
33 taken, or beyond the total employed by the taxpayer
34 as of December 31, 1985, whichever is later; and

1 (C) the eligible employees must be employed
2 180 consecutive days in order to be deemed hired for
3 purposes of this subsection.

4 (3) An "eligible employee" means an employee who
5 is:

6 (A) Certified by the Department of Commerce
7 and Community Affairs as "eligible for services"
8 pursuant to regulations promulgated in accordance
9 with Title II of the Job Training Partnership Act,
10 Training Services for the Disadvantaged or Title III
11 of the Job Training Partnership Act, Employment and
12 Training Assistance for Dislocated Workers Program.

13 (B) Hired after the enterprise zone or
14 federally designated Foreign Trade Zone or Sub-Zone
15 was designated or the trade or business was located
16 in that zone, whichever is later.

17 (C) Employed in the enterprise zone or Foreign
18 Trade Zone or Sub-Zone. An employee is employed in
19 an enterprise zone or federally designated Foreign
20 Trade Zone or Sub-Zone if his services are rendered
21 there or it is the base of operations for the
22 services performed.

23 (D) A full-time employee working 30 or more
24 hours per week.

25 (4) For tax years ending on or after December 31,
26 1985 and prior to December 31, 1988, the credit shall be
27 allowed for the tax year in which the eligible employees
28 are hired. For tax years ending on or after December 31,
29 1988, the credit shall be allowed for the tax year
30 immediately following the tax year in which the eligible
31 employees are hired. If the amount of the credit exceeds
32 the tax liability for that year, whether it exceeds the
33 original liability or the liability as later amended,
34 such excess may be carried forward and applied to the tax

1 liability of the 5 taxable years following the excess
2 credit year. The credit shall be applied to the earliest
3 year for which there is a liability. If there is credit
4 from more than one tax year that is available to offset a
5 liability, earlier credit shall be applied first.

6 (5) The Department of Revenue shall promulgate such
7 rules and regulations as may be deemed necessary to carry
8 out the purposes of this subsection (g).

9 (6) The credit shall be available for eligible
10 employees hired on or after January 1, 1986.

11 (h) Investment credit; High Impact Business.

12 (1) Subject to subsections subsectien (b) and (b-5)
13 of Section 5.5 of the Illinois Enterprise Zone Act, a
14 taxpayer shall be allowed a credit against the tax
15 imposed by subsections (a) and (b) of this Section for
16 investment in qualified property which is placed in
17 service by a Department of Commerce and Community Affairs
18 designated High Impact Business. The credit shall be .5%
19 of the basis for such property. The credit shall not be
20 available (i) until the minimum investments in qualified
21 property set forth in subdivision (a)(3)(A) of Section
22 5.5 of the Illinois Enterprise Zone Act have been
23 satisfied or (ii) until the time authorized in subsection
24 (b-5) of the Illinois Enterprise Zone Act for entities
25 designated as High Impact Businesses under subdivisions
26 (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the
27 Illinois Enterprise Zone Act, and shall not be allowed to
28 the extent that it would reduce a taxpayer's liability
29 for the tax imposed by subsections (a) and (b) of this
30 Section to below zero. The credit applicable to such
31 ~~minimum~~ investments shall be taken in the taxable year in
32 which such ~~minimum~~ investments have been completed. The
33 credit for additional investments beyond the minimum
34 investment by a designated high impact business

1 authorized under subdivision (a)(3)(A) of Section 5.5 of
2 the Illinois Enterprise Zone Act shall be available only
3 in the taxable year in which the property is placed in
4 service and shall not be allowed to the extent that it
5 would reduce a taxpayer's liability for the tax imposed
6 by subsections (a) and (b) of this Section to below zero.
7 For tax years ending on or after December 31, 1987, the
8 credit shall be allowed for the tax year in which the
9 property is placed in service, or, if the amount of the
10 credit exceeds the tax liability for that year, whether
11 it exceeds the original liability or the liability as
12 later amended, such excess may be carried forward and
13 applied to the tax liability of the 5 taxable years
14 following the excess credit year. The credit shall be
15 applied to the earliest year for which there is a
16 liability. If there is credit from more than one tax
17 year that is available to offset a liability, the credit
18 accruing first in time shall be applied first.

19 Changes made in this subdivision (h)(1) by Public
20 Act 88-670 restore changes made by Public Act 85-1182 and
21 reflect existing law.

22 (2) The term qualified property means property
23 which:

24 (A) is tangible, whether new or used,
25 including buildings and structural components of
26 buildings;

27 (B) is depreciable pursuant to Section 167 of
28 the Internal Revenue Code, except that "3-year
29 property" as defined in Section 168(c)(2)(A) of that
30 Code is not eligible for the credit provided by this
31 subsection (h);

32 (C) is acquired by purchase as defined in
33 Section 179(d) of the Internal Revenue Code; and

34 (D) is not eligible for the Enterprise Zone

1 Investment Credit provided by subsection (f) of this
2 Section.

3 (3) The basis of qualified property shall be the
4 basis used to compute the depreciation deduction for
5 federal income tax purposes.

6 (4) If the basis of the property for federal income
7 tax depreciation purposes is increased after it has been
8 placed in service in a federally designated Foreign Trade
9 Zone or Sub-Zone located in Illinois by the taxpayer, the
10 amount of such increase shall be deemed property placed
11 in service on the date of such increase in basis.

12 (5) The term "placed in service" shall have the
13 same meaning as under Section 46 of the Internal Revenue
14 Code.

15 (6) If during any taxable year ending on or before
16 December 31, 1996, any property ceases to be qualified
17 property in the hands of the taxpayer within 48 months
18 after being placed in service, or the situs of any
19 qualified property is moved outside Illinois within 48
20 months after being placed in service, the tax imposed
21 under subsections (a) and (b) of this Section for such
22 taxable year shall be increased. Such increase shall be
23 determined by (i) recomputing the investment credit which
24 would have been allowed for the year in which credit for
25 such property was originally allowed by eliminating such
26 property from such computation, and (ii) subtracting such
27 recomputed credit from the amount of credit previously
28 allowed. For the purposes of this paragraph (6), a
29 reduction of the basis of qualified property resulting
30 from a redetermination of the purchase price shall be
31 deemed a disposition of qualified property to the extent
32 of such reduction.

33 (7) Beginning with tax years ending after December
34 31, 1996, if a taxpayer qualifies for the credit under

1 this subsection (h) and thereby is granted a tax
2 abatement and the taxpayer relocates its entire facility
3 in violation of the explicit terms and length of the
4 contract under Section 18-183 of the Property Tax Code,
5 the tax imposed under subsections (a) and (b) of this
6 Section shall be increased for the taxable year in which
7 the taxpayer relocated its facility by an amount equal to
8 the amount of credit received by the taxpayer under this
9 subsection (h).

10 (i) A credit shall be allowed against the tax imposed by
11 subsections (a) and (b) of this Section for the tax imposed
12 by subsections (c) and (d) of this Section. This credit
13 shall be computed by multiplying the tax imposed by
14 subsections (c) and (d) of this Section by a fraction, the
15 numerator of which is base income allocable to Illinois and
16 the denominator of which is Illinois base income, and further
17 multiplying the product by the tax rate imposed by
18 subsections (a) and (b) of this Section.

19 Any credit earned on or after December 31, 1986 under
20 this subsection which is unused in the year the credit is
21 computed because it exceeds the tax liability imposed by
22 subsections (a) and (b) for that year (whether it exceeds the
23 original liability or the liability as later amended) may be
24 carried forward and applied to the tax liability imposed by
25 subsections (a) and (b) of the 5 taxable years following the
26 excess credit year. This credit shall be applied first to
27 the earliest year for which there is a liability. If there
28 is a credit under this subsection from more than one tax year
29 that is available to offset a liability the earliest credit
30 arising under this subsection shall be applied first.

31 If, during any taxable year ending on or after December
32 31, 1986, the tax imposed by subsections (c) and (d) of this
33 Section for which a taxpayer has claimed a credit under this
34 subsection (i) is reduced, the amount of credit for such tax

1 shall also be reduced. Such reduction shall be determined by
2 recomputing the credit to take into account the reduced tax
3 imposed by subsection (c) and (d). If any portion of the
4 reduced amount of credit has been carried to a different
5 taxable year, an amended return shall be filed for such
6 taxable year to reduce the amount of credit claimed.

7 (j) Training expense credit. Beginning with tax years
8 ending on or after December 31, 1986, a taxpayer shall be
9 allowed a credit against the tax imposed by subsection (a)
10 and (b) under this Section for all amounts paid or accrued,
11 on behalf of all persons employed by the taxpayer in Illinois
12 or Illinois residents employed outside of Illinois by a
13 taxpayer, for educational or vocational training in
14 semi-technical or technical fields or semi-skilled or skilled
15 fields, which were deducted from gross income in the
16 computation of taxable income. The credit against the tax
17 imposed by subsections (a) and (b) shall be 1.6% of such
18 training expenses. For partners, shareholders of subchapter
19 S corporations, and owners of limited liability companies, if
20 the liability company is treated as a partnership for
21 purposes of federal and State income taxation, there shall be
22 allowed a credit under this subsection (j) to be determined
23 in accordance with the determination of income and
24 distributive share of income under Sections 702 and 704 and
25 subchapter S of the Internal Revenue Code.

26 Any credit allowed under this subsection which is unused
27 in the year the credit is earned may be carried forward to
28 each of the 5 taxable years following the year for which the
29 credit is first computed until it is used. This credit shall
30 be applied first to the earliest year for which there is a
31 liability. If there is a credit under this subsection from
32 more than one tax year that is available to offset a
33 liability the earliest credit arising under this subsection
34 shall be applied first.

1 (k) Research and development credit.

2 Beginning with tax years ending after July 1, 1990, a
3 taxpayer shall be allowed a credit against the tax imposed by
4 subsections (a) and (b) of this Section for increasing
5 research activities in this State. The credit allowed
6 against the tax imposed by subsections (a) and (b) shall be
7 equal to 6 1/2% of the qualifying expenditures for increasing
8 research activities in this State. For partners, shareholders
9 of subchapter S corporations, and owners of limited liability
10 companies, if the liability company is treated as a
11 partnership for purposes of federal and State income
12 taxation, there shall be allowed a credit under this
13 subsection to be determined in accordance with the
14 determination of income and distributive share of income
15 under Sections 702 and 704 and subchapter S of the Internal
16 Revenue Code.

17 For purposes of this subsection, "qualifying
18 expenditures" means the qualifying expenditures as defined
19 for the federal credit for increasing research activities
20 which would be allowable under Section 41 of the Internal
21 Revenue Code and which are conducted in this State,
22 "qualifying expenditures for increasing research activities
23 in this State" means the excess of qualifying expenditures
24 for the taxable year in which incurred over qualifying
25 expenditures for the base period, "qualifying expenditures
26 for the base period" means the average of the qualifying
27 expenditures for each year in the base period, and "base
28 period" means the 3 taxable years immediately preceding the
29 taxable year for which the determination is being made.

30 Any credit in excess of the tax liability for the taxable
31 year may be carried forward. A taxpayer may elect to have the
32 unused credit shown on its final completed return carried
33 over as a credit against the tax liability for the following
34 5 taxable years or until it has been fully used, whichever

1 occurs first.

2 If an unused credit is carried forward to a given year
3 from 2 or more earlier years, that credit arising in the
4 earliest year will be applied first against the tax liability
5 for the given year. If a tax liability for the given year
6 still remains, the credit from the next earliest year will
7 then be applied, and so on, until all credits have been used
8 or no tax liability for the given year remains. Any
9 remaining unused credit or credits then will be carried
10 forward to the next following year in which a tax liability
11 is incurred, except that no credit can be carried forward to
12 a year which is more than 5 years after the year in which the
13 expense for which the credit is given was incurred.

14 Unless extended by law, the credit shall not include
15 costs incurred after December 31, 2004, except for costs
16 incurred pursuant to a binding contract entered into on or
17 before December 31, 2004.

18 No inference shall be drawn from this amendatory Act of
19 the 91st General Assembly in construing this Section for
20 taxable years beginning before January 1, 1999.

21 (1) Environmental Remediation Tax Credit.

22 (i) For tax years ending after December 31, 1997
23 and on or before December 31, 2001, a taxpayer shall be
24 allowed a credit against the tax imposed by subsections
25 (a) and (b) of this Section for certain amounts paid for
26 unreimbursed eligible remediation costs, as specified in
27 this subsection. For purposes of this Section,
28 "unreimbursed eligible remediation costs" means costs
29 approved by the Illinois Environmental Protection Agency
30 ("Agency") under Section 58.14 of the Environmental
31 Protection Act that were paid in performing environmental
32 remediation at a site for which a No Further Remediation
33 Letter was issued by the Agency and recorded under
34 Section 58.10 of the Environmental Protection Act. The

1 credit must be claimed for the taxable year in which
2 Agency approval of the eligible remediation costs is
3 granted. The credit is not available to any taxpayer if
4 the taxpayer or any related party caused or contributed
5 to, in any material respect, a release of regulated
6 substances on, in, or under the site that was identified
7 and addressed by the remedial action pursuant to the Site
8 Remediation Program of the Environmental Protection Act.
9 After the Pollution Control Board rules are adopted
10 pursuant to the Illinois Administrative Procedure Act for
11 the administration and enforcement of Section 58.9 of the
12 Environmental Protection Act, determinations as to credit
13 availability for purposes of this Section shall be made
14 consistent with those rules. For purposes of this
15 Section, "taxpayer" includes a person whose tax
16 attributes the taxpayer has succeeded to under Section
17 381 of the Internal Revenue Code and "related party"
18 includes the persons disallowed a deduction for losses by
19 paragraphs (b), (c), and (f)(1) of Section 267 of the
20 Internal Revenue Code by virtue of being a related
21 taxpayer, as well as any of its partners. The credit
22 allowed against the tax imposed by subsections (a) and
23 (b) shall be equal to 25% of the unreimbursed eligible
24 remediation costs in excess of \$100,000 per site, except
25 that the \$100,000 threshold shall not apply to any site
26 contained in an enterprise zone as determined by the
27 Department of Commerce and Community Affairs. The total
28 credit allowed shall not exceed \$40,000 per year with a
29 maximum total of \$150,000 per site. For partners and
30 shareholders of subchapter S corporations, there shall be
31 allowed a credit under this subsection to be determined
32 in accordance with the determination of income and
33 distributive share of income under Sections 702 and 704
34 and of subchapter S of the Internal Revenue Code.

1 (ii) A credit allowed under this subsection that is
2 unused in the year the credit is earned may be carried
3 forward to each of the 5 taxable years following the year
4 for which the credit is first earned until it is used.
5 The term "unused credit" does not include any amounts of
6 unreimbursed eligible remediation costs in excess of the
7 maximum credit per site authorized under paragraph (i).
8 This credit shall be applied first to the earliest year
9 for which there is a liability. If there is a credit
10 under this subsection from more than one tax year that is
11 available to offset a liability, the earliest credit
12 arising under this subsection shall be applied first. A
13 credit allowed under this subsection may be sold to a
14 buyer as part of a sale of all or part of the remediation
15 site for which the credit was granted. The purchaser of
16 a remediation site and the tax credit shall succeed to
17 the unused credit and remaining carry-forward period of
18 the seller. To perfect the transfer, the assignor shall
19 record the transfer in the chain of title for the site
20 and provide written notice to the Director of the
21 Illinois Department of Revenue of the assignor's intent
22 to sell the remediation site and the amount of the tax
23 credit to be transferred as a portion of the sale. In no
24 event may a credit be transferred to any taxpayer if the
25 taxpayer or a related party would not be eligible under
26 the provisions of subsection (i).

27 (iii) For purposes of this Section, the term "site"
28 shall have the same meaning as under Section 58.2 of the
29 Environmental Protection Act.

30 (m) Education expense credit.

31 Beginning with tax years ending after December 31, 1999,
32 a taxpayer who is the custodian of one or more qualifying
33 pupils shall be allowed a credit against the tax imposed by
34 subsections (a) and (b) of this Section for qualified

1 education expenses incurred on behalf of the qualifying
2 pupils. The credit shall be equal to 25% of qualified
3 education expenses, but in no event may the total credit
4 under this Section claimed by a family that is the custodian
5 of qualifying pupils exceed \$500. In no event shall a credit
6 under this subsection reduce the taxpayer's liability under
7 this Act to less than zero. This subsection is exempt from
8 the provisions of Section 250 of this Act.

9 For purposes of this subsection;

10 "Qualifying pupils" means individuals who (i) are
11 residents of the State of Illinois, (ii) are under the age of
12 21 at the close of the school year for which a credit is
13 sought, and (iii) during the school year for which a credit
14 is sought were full-time pupils enrolled in a kindergarten
15 through twelfth grade education program at any school, as
16 defined in this subsection.

17 "Qualified education expense" means the amount incurred
18 on behalf of a qualifying pupil in excess of \$250 for
19 tuition, book fees, and lab fees at the school in which the
20 pupil is enrolled during the regular school year.

21 "School" means any public or nonpublic elementary or
22 secondary school in Illinois that is in compliance with Title
23 VI of the Civil Rights Act of 1964 and attendance at which
24 satisfies the requirements of Section 26-1 of the School
25 Code, except that nothing shall be construed to require a
26 child to attend any particular public or nonpublic school to
27 qualify for the credit under this Section.

28 "Custodian" means, with respect to qualifying pupils, an
29 Illinois resident who is a parent, the parents, a legal
30 guardian, or the legal guardians of the qualifying pupils.

31 (Source: P.A. 90-123, eff. 7-21-97; 90-458, eff. 8-17-97;
32 90-605, eff. 6-30-98; 90-655, eff. 7-30-98; 90-717, eff.
33 8-7-98; 90-792, eff. 1-1-99; 91-9, eff. 1-1-00; 91-357, eff.
34 7-29-99; 91-643, eff. 8-20-99; 91-644, eff. 8-20-99; 91-860,

1 eff. 6-22-00; 91-913, eff. 1-1-01; revised 10-24-00.)

2 Section 920. The Use Tax Act is amended by changing
3 Section 9 as follows:

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

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

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

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

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

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

- 18 1. The name of the seller;
- 19 2. The address of the principal place of business
20 from which he engages in the business of selling tangible
21 personal property at retail in this State;
- 22 3. The total amount of taxable receipts received by
23 him during the preceding calendar month from sales of
24 tangible personal property by him during such preceding
25 calendar month, including receipts from charge and time
26 sales, but less all deductions allowed by law;
- 27 4. The amount of credit provided in Section 2d of
28 this Act;
- 29 5. The amount of tax due;
- 30 5-5. The signature of the taxpayer; and
- 31 6. Such other reasonable information as the
32 Department may require.

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

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

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

25 Before August 1 of each year beginning in 1993, the
26 Department shall notify all taxpayers required to make
27 payments by electronic funds transfer. All taxpayers required
28 to make payments by electronic funds transfer shall make
29 those payments for a minimum of one year beginning on October
30 1.

31 Any taxpayer not required to make payments by electronic
32 funds transfer may make payments by electronic funds transfer
33 with the permission of the Department.

34 All taxpayers required to make payment by electronic

1 funds transfer and any taxpayers authorized to voluntarily
2 make payments by electronic funds transfer shall make those
3 payments 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
9 Retailers' Occupation Tax Act, the Service Occupation Tax
10 Act, the Service Use Tax Act was \$10,000 or more during the
11 preceding 4 complete calendar quarters, he shall file a
12 return with the Department each month by the 20th day of the
13 month next following the month during which such tax
14 liability is incurred and shall make payments to the
15 Department on or before the 7th, 15th, 22nd and last day of
16 the month during which such liability is incurred. On and
17 after October 1, 2000, if the taxpayer's average monthly tax
18 liability to the Department under this Act, the Retailers'
19 Occupation Tax Act, the Service Occupation Tax Act, and the
20 Service Use Tax Act was \$20,000 or more during the preceding
21 4 complete calendar quarters, he shall file a return with the
22 Department each month by the 20th day of the month next
23 following the month during which such tax liability is
24 incurred and shall make payment to the Department on or
25 before the 7th, 15th, 22nd and last day of the month during
26 which such liability is incurred. If the month during which
27 such tax liability is incurred began prior to January 1,
28 1985, each payment shall be in an amount equal to 1/4 of the
29 taxpayer's actual liability for the month or an amount set by
30 the Department not to exceed 1/4 of the average monthly
31 liability of the taxpayer to the Department for the preceding
32 4 complete calendar quarters (excluding the month of highest
33 liability and the month of lowest liability in such 4 quarter
34 period). If the month during which such tax liability is

1 incurred begins on or after January 1, 1985, and prior to
2 January 1, 1987, each payment shall be in an amount equal to
3 22.5% of the taxpayer's actual liability for the month or
4 27.5% of the taxpayer's liability for the same calendar month
5 of the preceding year. If the month during which such tax
6 liability is incurred begins on or after January 1, 1987, and
7 prior to January 1, 1988, each payment shall be in an amount
8 equal to 22.5% of the taxpayer's actual liability for the
9 month or 26.25% of the taxpayer's liability for the same
10 calendar month of the preceding year. If the month during
11 which such tax liability is incurred begins on or after
12 January 1, 1988, and prior to January 1, 1989, or begins on
13 or after January 1, 1996, each payment shall be in an amount
14 equal to 22.5% of the taxpayer's actual liability for the
15 month or 25% of the taxpayer's liability for the same
16 calendar month of the preceding year. If the month during
17 which such tax liability is incurred begins on or after
18 January 1, 1989, and prior to January 1, 1996, each payment
19 shall be in an amount equal to 22.5% of the taxpayer's actual
20 liability for the month or 25% of the taxpayer's liability
21 for the same calendar month of the preceding year or 100% of
22 the taxpayer's actual liability for the quarter monthly
23 reporting period. The amount of such quarter monthly
24 payments shall be credited against the final tax liability of
25 the taxpayer's return for that month. Before October 1,
26 2000, once applicable, the requirement of the making of
27 quarter monthly payments to the Department shall continue
28 until such taxpayer's average monthly liability to the
29 Department during the preceding 4 complete calendar quarters
30 (excluding the month of highest liability and the month of
31 lowest liability) is less than \$9,000, or until such
32 taxpayer's average monthly liability to the Department as
33 computed for each calendar quarter of the 4 preceding
34 complete calendar quarter period is less than \$10,000.

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

1 quarter monthly payment dates for taxpayers who file on other
2 than a calendar monthly basis.

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

31 If the retailer is otherwise required to file a monthly
32 return and if the retailer's average monthly tax liability to
33 the Department does not exceed \$200, the Department may
34 authorize his returns to be filed on a quarter annual basis,

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

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

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

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

24 In addition, with respect to motor vehicles, watercraft,
25 aircraft, and trailers that are required to be registered
26 with an agency of this State, every retailer selling this
27 kind of tangible personal property shall file, with the
28 Department, upon a form to be prescribed and supplied by the
29 Department, a separate return for each such item of tangible
30 personal property which the retailer sells, except that if,
31 in the same transaction, (i) a retailer of aircraft,
32 watercraft, motor vehicles or trailers transfers more than
33 one aircraft, watercraft, motor vehicle or trailer to another
34 aircraft, watercraft, motor vehicle or trailer retailer for

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

13 The transaction reporting return in the case of motor
14 vehicles or trailers that are required to be registered with
15 an agency of this State, shall be the same document as the
16 Uniform Invoice referred to in Section 5-402 of the Illinois
17 Vehicle Code and must show the name and address of the
18 seller; the name and address of the purchaser; the amount of
19 the selling price including the amount allowed by the
20 retailer for traded-in property, if any; the amount allowed
21 by the retailer for the traded-in tangible personal property,
22 if any, to the extent to which Section 2 of this Act allows
23 an exemption for the value of traded-in property; the balance
24 payable after deducting such trade-in allowance from the
25 total selling price; the amount of tax due from the retailer
26 with respect to such transaction; the amount of tax collected
27 from the purchaser by the retailer on such transaction (or
28 satisfactory evidence that such tax is not due in that
29 particular instance, if that is claimed to be the fact); the
30 place and date of the sale; a sufficient identification of
31 the property sold; such other information as is required in
32 Section 5-402 of the Illinois Vehicle Code, and such other
33 information as the Department may reasonably require.

34 The transaction reporting return in the case of

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

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

29 With each such transaction reporting return, the retailer
30 shall remit the proper amount of tax due (or shall submit
31 satisfactory evidence that the sale is not taxable if that is
32 the case), to the Department or its agents, whereupon the
33 Department shall issue, in the purchaser's name, a tax
34 receipt (or a certificate of exemption if the Department is

1 satisfied that the particular sale is tax exempt) which such
2 purchaser may submit to the agency with which, or State
3 officer with whom, he must title or register the tangible
4 personal property that is involved (if titling or
5 registration is required) in support of such purchaser's
6 application for an Illinois certificate or other evidence of
7 title or registration to such tangible personal property.

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

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

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

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

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

31 Where the retailer has more than one business registered
32 with the Department under separate registration under this
33 Act, such retailer may not file each return that is due as a
34 single return covering all such registered businesses, but

1 shall file separate returns for each such registered
2 business.

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

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

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

29 Beginning August 1, 2000, each month the Department shall
30 pay into the State and Local Sales Tax Reform Fund 100% of
31 the net revenue realized for the preceding month from the
32 1.25% rate on the selling price of motor fuel and gasohol.

33 Beginning January 1, 1990, each month the Department
34 shall pay into the Local Government Tax Fund 16% of the net

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

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

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

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

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

17	Fiscal Year	Total Deposit
18	1993	\$0
19	1994	53,000,000
20	1995	58,000,000
21	1996	61,000,000
22	1997	64,000,000
23	1998	68,000,000
24	1999	71,000,000
25	2000	75,000,000
26	2001	80,000,000
27	2002	84,000,000
28	2003	89,000,000
29	2004	93,000,000
30	2005	97,000,000
31	2006	102,000,000
32	2007	108,000,000
33	2008	115,000,000
34	2009	120,000,000

1	2010	126,000,000
2	2011	132,000,000
3	2012	138,000,000
4	2013 and	145,000,000

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
11 Act, but not after fiscal year 2029.

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,
23 but not in excess of the amount specified above as "Total
24 Deposit", has been deposited.

25 Subject to payment of amounts into the Build Illinois
26 Fund and the McCormick Place Expansion Project Fund pursuant
27 to the preceding paragraphs or in any amendment thereto
28 hereafter enacted, each month the Department shall pay into
29 the Local Government Distributive Fund .4% of the net revenue
30 realized for the preceding month from the 5% general rate, or
31 .4% of 80% of the net revenue realized for the preceding
32 month from the 6.25% general rate, as the case may be, on the
33 selling price of tangible personal property which amount
34 shall, subject to appropriation, be distributed as provided

1 in Section 2 of the State Revenue Sharing Act. No payments or
2 distributions pursuant to this paragraph shall be made if the
3 tax imposed by this Act on photoprocessing products is
4 declared unconstitutional, or if the proceeds from such tax
5 are unavailable for distribution because of litigation.

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

15 Subject to payment of amounts into the Build Illinois
16 Fund, the McCormick Place Expansion Project Fund, and the
17 Local Government Distributive Fund pursuant to the preceding
18 paragraphs or in any amendments thereto hereafter enacted,
19 beginning with the receipt of the first report of taxes paid
20 by an eligible business and continuing for a 25-year period,
21 the Department shall each month pay into the Energy
22 Infrastructure Fund 80% of the net revenue realized from the
23 6.25% general rate on the selling price of Illinois-mined
24 coal that was sold to an eligible business. For purposes of
25 this paragraph, the term "eligible business" means a new
26 electric generating facility certified pursuant to Section
27 605-332 of the Department of Commerce and Community Affairs
28 Law of the Civil Administrative Code of Illinois.

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

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

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

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

20 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
21 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
22 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
23 eff. 1-1-01; revised 8-30-00.)

24 Section 925. The Service Use Tax Act is amended by
25 changing Section 9 as follows:

26 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

27 Sec. 9. Each serviceman required or authorized to
28 collect the tax herein imposed shall pay to the Department
29 the amount of such tax (except as otherwise provided) at the
30 time when he is required to file his return for the period
31 during which such tax was collected, less a discount of 2.1%
32 prior to January 1, 1990 and 1.75% on and after January 1,

1 1990, or \$5 per calendar year, whichever is greater, which is
2 allowed to reimburse the serviceman for expenses incurred in
3 collecting the tax, keeping records, preparing and filing
4 returns, remitting the tax and supplying data to the
5 Department on request. A serviceman need not remit that part
6 of any tax collected by him to the extent that he is required
7 to pay and does pay the tax imposed by the Service Occupation
8 Tax Act with respect to his sale of service involving the
9 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
13 month in accordance with reasonable Rules and Regulations to
14 be promulgated by the Department. Such return shall be filed
15 on a 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.
21 The taxpayer shall also file a return with the Department for
22 each of the first two months of each calendar quarter, on or
23 before the twentieth day of the following calendar month,
24 stating:

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business
27 from which he engages in business as a serviceman in this
28 State;
- 29 3. The total amount of taxable receipts received by
30 him during the preceding calendar month, including
31 receipts from charge and time sales, but less all
32 deductions allowed by law;
- 33 4. The amount of credit provided in Section 2d of
34 this Act;

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

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

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

31 Before August 1 of each year beginning in 1993, the
32 Department shall notify all taxpayers required to make
33 payments by electronic funds transfer. All taxpayers required
34 to make payments by electronic funds transfer shall make

1 those payments for a minimum of one year beginning on October
2 1.

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

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

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

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

24 If the serviceman is otherwise required to file a monthly
25 or quarterly return and if the serviceman's average monthly
26 tax liability to the Department does not exceed \$50, the
27 Department may authorize his returns to be filed on an annual
28 basis, with the return for a given year being due by January
29 20 of the following year.

30 Such quarter annual and annual returns, as to form and
31 substance, shall be subject to the same requirements as
32 monthly returns.

33 Notwithstanding any other provision in this Act
34 concerning the time within which a serviceman may file his

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

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

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

28 If experience indicates such action to be practicable,
29 the Department may prescribe and furnish a combination or
30 joint return which will enable servicemen, who are required
31 to file returns hereunder and also under the Service
32 Occupation Tax Act, to furnish all the return information
33 required by both Acts on the one form.

34 Where the serviceman has more than one business

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

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

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

24 Beginning August 1, 2000, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund 100% of
26 the net revenue realized for the preceding month from the
27 1.25% rate on the selling price of motor fuel and gasohol.

28 Of the remainder of the moneys received by the Department
29 pursuant to this Act, (a) 1.75% thereof shall be paid into
30 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
31 and on and after July 1, 1989, 3.8% thereof shall be paid
32 into the Build Illinois Fund; provided, however, that if in
33 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
34 as the case may be, of the moneys received by the Department

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

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

26 Subject to payment of amounts into the Build Illinois
27 Fund as provided in the preceding paragraph or in any
28 amendment thereto hereafter enacted, the following specified
29 monthly installment of the amount requested in the
30 certificate of the Chairman of the Metropolitan Pier and
31 Exposition Authority provided under Section 8.25f of the
32 State Finance Act, but not in excess of the sums designated
33 as "Total Deposit", shall be deposited in the aggregate from
34 collections under Section 9 of the Use Tax Act, Section 9 of

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

5	Fiscal Year	Total Deposit
6	1993	\$0
7	1994	53,000,000
8	1995	58,000,000
9	1996	61,000,000
10	1997	64,000,000
11	1998	68,000,000
12	1999	71,000,000
13	2000	75,000,000
14	2001	80,000,000
15	2002	84,000,000
16	2003	89,000,000
17	2004	93,000,000
18	2005	97,000,000
19	2006	102,000,000
20	2007	108,000,000
21	2008	115,000,000
22	2009	120,000,000
23	2010	126,000,000
24	2011	132,000,000
25	2012	138,000,000
26	2013 and	145,000,000

27 each fiscal year
 28 thereafter that bonds
 29 are outstanding under
 30 Section 13.2 of the
 31 Metropolitan Pier and
 32 Exposition Authority Act,
 33 but not after fiscal year 2029.
 34 Beginning July 20, 1993 and in each month of each fiscal

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

13 Subject to payment of amounts into the Build Illinois
14 Fund and the McCormick Place Expansion Project Fund pursuant
15 to the preceding paragraphs or in any amendment thereto
16 hereafter enacted, each month the Department shall pay into
17 the Local Government Distributive Fund 0.4% of the net
18 revenue realized for the preceding month from the 5% general
19 rate or 0.4% of 80% of the net revenue realized for the
20 preceding month from the 6.25% general rate, as the case may
21 be, on the selling price of tangible personal property which
22 amount shall, subject to appropriation, be distributed as
23 provided in Section 2 of the State Revenue Sharing Act. No
24 payments or distributions pursuant to this paragraph shall be
25 made if the tax imposed by this Act on photo processing
26 products is declared unconstitutional, or if the proceeds
27 from such tax are unavailable for distribution because of
28 litigation.

29 Subject to payment of amounts into the Build Illinois
30 Fund, the McCormick Place Expansion Project Fund, and the
31 Local Government Distributive Fund pursuant to the preceding
32 paragraphs or in any amendments thereto hereafter enacted,
33 beginning July 1, 1993, the Department shall each month pay
34 into the Illinois Tax Increment Fund 0.27% of 80% of the net

1 revenue realized for the preceding month from the 6.25%
2 general rate on the selling price of tangible personal
3 property.

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

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

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

29 Net revenue realized for a month shall be the revenue
30 collected by the State pursuant to this Act, less the amount
31 paid out during that month as refunds to taxpayers for
32 overpayment of liability.

33 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
34 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;

1 91-872, eff. 7-1-00.)

2 Section 930. The Service Occupation Tax Act is amended
3 by changing Section 9 as follows:

4 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

24 Except as provided hereinafter in this Section, on or
25 before the twentieth day of each calendar month, such
26 serviceman shall file a return for the preceding calendar
27 month in accordance with reasonable rules and regulations to
28 be promulgated by the Department of Revenue. Such return
29 shall be filed on a form prescribed by the Department and
30 shall contain such information as the Department may
31 reasonably require.

32 The Department may require returns to be filed on a

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

- 8 1. The name of the seller;
- 9 2. The address of the principal place of business
10 from which he engages in business as a serviceman in this
11 State;
- 12 3. The total amount of taxable receipts received by
13 him during the preceding calendar month, including
14 receipts from charge and time sales, but less all
15 deductions allowed by law;
- 16 4. The amount of credit provided in Section 2d of
17 this Act;
- 18 5. The amount of tax due;
- 19 5-5. The signature of the taxpayer; and
- 20 6. 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
25 be due on the return shall be deemed assessed.

26 A serviceman may accept a Manufacturer's Purchase Credit
27 certification from a purchaser in satisfaction of Service Use
28 Tax as provided in Section 3-70 of the Service Use Tax Act if
29 the purchaser provides the appropriate documentation as
30 required by Section 3-70 of the Service Use Tax Act. A
31 Manufacturer's Purchase Credit certification, accepted by a
32 serviceman as provided in Section 3-70 of the Service Use Tax
33 Act, may be used by that serviceman to satisfy Service
34 Occupation Tax liability in the amount claimed in the

1 certification, not to exceed 6.25% of the receipts subject to
2 tax from a qualifying purchase.

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

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

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

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

28 Beginning October 1, 1993, a taxpayer who has an average
29 monthly tax liability of \$150,000 or more shall make all
30 payments required by rules of the Department by electronic
31 funds transfer. Beginning October 1, 1994, a taxpayer who
32 has an average monthly tax liability of \$100,000 or more
33 shall make all payments required by rules of the Department
34 by electronic funds transfer. Beginning October 1, 1995, a

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

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

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

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

29 The Department shall adopt such rules as are necessary to
30 effectuate a program of electronic funds transfer and the
31 requirements of this Section.

32 Where a serviceman collects the tax with respect to the
33 selling price of tangible personal property which he sells
34 and the purchaser thereafter returns such tangible personal

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

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

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

27 Beginning January 1, 1990, each month the Department
28 shall pay into the Local Government Tax Fund the revenue
29 realized for the preceding month from the 1% tax on sales of
30 food for human consumption which is to be consumed off the
31 premises where it is sold (other than alcoholic beverages,
32 soft drinks and food which has been prepared for immediate
33 consumption) and prescription and nonprescription medicines,
34 drugs, medical appliances and insulin, urine testing

1 materials, syringes and needles used by diabetics.

2 Beginning January 1, 1990, each month the Department
3 shall pay into the County and Mass Transit District Fund 4%
4 of the revenue realized for the preceding month from the
5 6.25% general rate.

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

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

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

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

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

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

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

29	Fiscal Year	Total Deposit
30	1993	\$0
31	1994	53,000,000
32	1995	58,000,000
33	1996	61,000,000
34	1997	64,000,000

1	1998	68,000,000
2	1999	71,000,000
3	2000	75,000,000
4	2001	80,000,000
5	2002	84,000,000
6	2003	89,000,000
7	2004	93,000,000
8	2005	97,000,000
9	2006	102,000,000
10	2007	108,000,000
11	2008	115,000,000
12	2009	120,000,000
13	2010	126,000,000
14	2011	132,000,000
15	2012	138,000,000
16	2013 and	145,000,000

17 each fiscal year
18 thereafter that bonds
19 are outstanding under
20 Section 13.2 of the
21 Metropolitan Pier and
22 Exposition Authority
23 Act, but not after fiscal year 2029.

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and
27 Exposition Authority for that fiscal year, less the amount
28 deposited into the McCormick Place Expansion Project Fund by
29 the State Treasurer in the respective month under subsection
30 (g) of Section 13 of the Metropolitan Pier and Exposition
31 Authority Act, plus cumulative deficiencies in the deposits
32 required under this Section for previous months and years,
33 shall be deposited into the McCormick Place Expansion Project
34 Fund, until the full amount requested for the fiscal year,

1 but not in excess of the amount specified above as "Total
2 Deposit", has been deposited.

3 Subject to payment of amounts into the Build Illinois
4 Fund and the McCormick Place Expansion Project Fund pursuant
5 to the preceding paragraphs or in any amendment thereto
6 hereafter enacted, each month the Department shall pay into
7 the Local Government Distributive Fund 0.4% of the net
8 revenue realized for the preceding month from the 5% general
9 rate or 0.4% of 80% of the net revenue realized for the
10 preceding month from the 6.25% general rate, as the case may
11 be, on the selling price of tangible personal property which
12 amount shall, subject to appropriation, be distributed as
13 provided in Section 2 of the State Revenue Sharing Act. No
14 payments or distributions pursuant to this paragraph shall be
15 made if the tax imposed by this Act on photoprocessing
16 products is declared unconstitutional, or if the proceeds
17 from such tax are unavailable for distribution because of
18 litigation.

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

28 Subject to payment of amounts into the Build Illinois
29 Fund, the McCormick Place Expansion Project Fund, and the
30 Local Government Distributive Fund pursuant to the preceding
31 paragraphs or in any amendments thereto hereafter enacted,
32 beginning with the receipt of the first report of taxes paid
33 by an eligible business and continuing for a 25-year period,
34 the Department shall each month pay into the Energy

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

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

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

34 If the annual information return required by this Section

1 is not filed when and as required, the taxpayer shall be
2 liable as follows:

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

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

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

21 The foregoing portion of this Section concerning the
22 filing of an annual information return shall not apply to a
23 serviceman who is not required to file an income tax return
24 with the United States Government.

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

33 Net revenue realized for a month shall be the revenue
34 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for
2 overpayment of liability.

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

11 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
12 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
13 91-872, eff. 7-1-00.)

14 Section 935. The Retailers' Occupation Tax Act is
15 amended by changing Section 3 as follows:

16 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 22 1. The name of the seller;
- 23 2. His residence address and the address of his
24 principal place of business and the address of the
25 principal place of business (if that is a different
26 address) from which he engages in the business of selling
27 tangible personal property at retail in this State;
- 28 3. Total amount of receipts received by him during
29 the preceding calendar month or quarter, as the case may
30 be, from sales of tangible personal property, and from
31 services furnished, by him during such preceding calendar
32 month or quarter;

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

6 5. Deductions allowed by law;

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

10 7. The amount of credit provided in Section 2d of
11 this Act;

12 8. The amount of tax due;

13 9. The signature of the taxpayer; and

14 10. Such other reasonable information as the
15 Department may require.

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

20 Each return shall be accompanied by the statement of
21 prepaid tax issued pursuant to Section 2e for which credit is
22 claimed.

23 A retailer may accept a Manufacturer's Purchase Credit
24 certification from a purchaser in satisfaction of Use Tax as
25 provided in Section 3-85 of the Use Tax Act if the purchaser
26 provides the appropriate documentation as required by Section
27 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
28 certification, accepted by a retailer as provided in Section
29 3-85 of the Use Tax Act, may be used by that retailer to
30 satisfy Retailers' Occupation Tax liability in the amount
31 claimed in the certification, not to exceed 6.25% of the
32 receipts subject to tax from a qualifying purchase.

33 The Department may require returns to be filed on a
34 quarterly basis. If so required, a return for each calendar

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

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

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

25 Beginning October 1, 1993, a taxpayer who has an average
26 monthly tax liability of \$150,000 or more shall make all
27 payments required by rules of the Department by electronic
28 funds transfer. Beginning October 1, 1994, a taxpayer who
29 has an average monthly tax liability of \$100,000 or more
30 shall make all payments required by rules of the Department
31 by electronic funds transfer. Beginning October 1, 1995, a
32 taxpayer who has an average monthly tax liability of \$50,000
33 or more shall make all payments required by rules of the
34 Department by electronic funds transfer. Beginning October

1 1, 2000, a taxpayer who has an annual tax liability of
2 \$200,000 or more shall make all payments required by rules of
3 the Department by electronic funds transfer. The term
4 "annual tax liability" shall be the sum of the taxpayer's
5 liabilities under this Act, and under all other State and
6 local occupation and use tax laws administered by the
7 Department, for the immediately preceding calendar year. The
8 term "average monthly tax liability" shall be the sum of the
9 taxpayer's liabilities under this Act, and under all other
10 State and local occupation and use tax laws administered by
11 the Department, for the immediately preceding calendar year
12 divided by 12.

13 Before August 1 of each year beginning in 1993, the
14 Department shall notify all taxpayers required to make
15 payments by electronic funds transfer. All taxpayers
16 required to make payments by electronic funds transfer shall
17 make those payments for a minimum of one year beginning on
18 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
23 funds transfer and any taxpayers authorized to voluntarily
24 make payments by electronic funds transfer shall make those
25 payments in the manner authorized by the Department.

26 The Department shall adopt such rules as are necessary to
27 effectuate a program of electronic funds transfer and the
28 requirements of this Section.

29 Any amount which is required to be shown or reported on
30 any return or other document under this Act shall, if such
31 amount is not a whole-dollar amount, be increased to the
32 nearest whole-dollar amount in any case where the fractional
33 part of a dollar is 50 cents or more, and decreased to the
34 nearest whole-dollar amount where the fractional part of a

1 dollar is less than 50 cents.

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

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

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

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

29 Where the same person has more than one business
30 registered with the Department under separate registrations
31 under this Act, such person may not file each return that is
32 due as a single return covering all such registered
33 businesses, but shall file separate returns for each such
34 registered business.

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

25 Any retailer who sells only motor vehicles, watercraft,
26 aircraft, or trailers that are required to be registered with
27 an agency of this State, so that all retailers' occupation
28 tax liability is required to be reported, and is reported, on
29 such transaction reporting returns and who is not otherwise
30 required to file monthly or quarterly returns, need not file
31 monthly or quarterly returns. However, those retailers shall
32 be required to file returns on an annual basis.

33 The transaction reporting return, in the case of motor
34 vehicles or trailers that are required to be registered with

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

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

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

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

28 No retailer's failure or refusal to remit tax under this
29 Act precludes a user, who has paid the proper tax to the
30 retailer, from obtaining his certificate of title or other
31 evidence of title or registration (if titling or registration
32 is required) upon satisfying the Department that such user
33 has paid the proper tax (if tax is due) to the retailer. The
34 Department shall adopt appropriate rules to carry out the

1 mandate of this paragraph.

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

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

30 Where the seller is a corporation, the return filed on
31 behalf of such corporation shall be signed by the president,
32 vice-president, secretary or treasurer or by the properly
33 accredited agent of such corporation.

34 Where the seller is a limited liability company, the

1 return filed on behalf of the limited liability company shall
2 be signed by a manager, member, or properly accredited agent
3 of the limited liability company.

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

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

1 sales tax to be remitted in accordance with Section 2d of
2 this Act, was \$20,000 or more during the preceding 4 complete
3 calendar quarters, he shall file a return with the Department
4 each month by the 20th day of the month next following the
5 month during which such tax liability is incurred and shall
6 make payment to the Department on or before the 7th, 15th,
7 22nd and last day of the month during which such liability is
8 incurred. If the month during which such tax liability is
9 incurred began prior to January 1, 1985, each payment shall
10 be in an amount equal to 1/4 of the taxpayer's actual
11 liability for the month or an amount set by the Department
12 not to exceed 1/4 of the average monthly liability of the
13 taxpayer to the Department for the preceding 4 complete
14 calendar quarters (excluding the month of highest liability
15 and the month of lowest liability in such 4 quarter period).
16 If the month during which such tax liability is incurred
17 begins on or after January 1, 1985 and prior to January 1,
18 1987, each payment shall be in an amount equal to 22.5% of
19 the taxpayer's actual liability for the month or 27.5% of the
20 taxpayer's liability for the same calendar month of the
21 preceding year. If the month during which such tax liability
22 is incurred begins on or after January 1, 1987 and prior to
23 January 1, 1988, each payment shall be in an amount equal to
24 22.5% of the taxpayer's actual liability for the month or
25 26.25% of the taxpayer's liability for the same calendar
26 month of the preceding year. If the month during which such
27 tax liability is incurred begins on or after January 1, 1988,
28 and prior to January 1, 1989, or begins on or after January
29 1, 1996, each payment shall be in an amount equal to 22.5% of
30 the taxpayer's actual liability for the month or 25% of the
31 taxpayer's liability for the same calendar month of the
32 preceding year. If the month during which such tax liability
33 is incurred begins on or after January 1, 1989, and prior to
34 January 1, 1996, each payment shall be in an amount equal to

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

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

22 Without regard to whether a taxpayer is required to make
23 quarter monthly payments as specified above, any taxpayer who
24 is required by Section 2d of this Act to collect and remit
25 prepaid taxes and has collected prepaid taxes which average
26 in excess of \$25,000 per month during the preceding 2
27 complete calendar quarters, shall file a return with the
28 Department as required by Section 2f and shall make payments
29 to the Department on or before the 7th, 15th, 22nd and last
30 day of the month during which such liability is incurred. If
31 the month during which such tax liability is incurred began
32 prior to the effective date of this amendatory Act of 1985,
33 each payment shall be in an amount not less than 22.5% of the
34 taxpayer's actual liability under Section 2d. If the month

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

24 If any payment provided for in this Section exceeds the
25 taxpayer's liabilities under this Act, the Use Tax Act, the
26 Service Occupation Tax Act and the Service Use Tax Act, as
27 shown on an original monthly return, the Department shall, if
28 requested by the taxpayer, issue to the taxpayer a credit
29 memorandum no later than 30 days after the date of payment.
30 The credit evidenced by such credit memorandum may be
31 assigned by the taxpayer to a similar taxpayer under this
32 Act, the Use Tax Act, the Service Occupation Tax Act or the
33 Service Use Tax Act, in accordance with reasonable rules and
34 regulations to be prescribed by the Department. If no such

1 request is made, the taxpayer may credit such excess payment
2 against tax liability subsequently to be remitted to the
3 Department under this Act, the Use Tax Act, the Service
4 Occupation Tax Act or the Service Use Tax Act, in accordance
5 with reasonable rules and regulations prescribed by the
6 Department. If the Department subsequently determined that
7 all or any part of the credit taken was not actually due to
8 the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount
9 shall be reduced by 2.1% or 1.75% of the difference between
10 the credit taken and that actually due, and that taxpayer
11 shall be liable for penalties and interest on such
12 difference.

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

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

28 Beginning January 1, 1990, each month the Department
29 shall pay into the County and Mass Transit District Fund, a
30 special fund in the State treasury which is hereby created,
31 4% of the net revenue realized for the preceding month from
32 the 6.25% general rate.

33 Beginning August 1, 2000, each month the Department shall
34 pay into the County and Mass Transit District Fund 20% of the

1 net revenue realized for the preceding month from the 1.25%
2 rate on the selling price of motor fuel and gasohol.

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

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

12 Of the remainder of the moneys received by the Department
13 pursuant to this Act, (a) 1.75% thereof shall be paid into
14 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
15 and on and after July 1, 1989, 3.8% thereof shall be paid
16 into the Build Illinois Fund; provided, however, that if in
17 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
18 as the case may be, of the moneys received by the Department
19 and required to be paid into the Build Illinois Fund pursuant
20 to this Act, Section 9 of the Use Tax Act, Section 9 of the
21 Service Use Tax Act, and Section 9 of the Service Occupation
22 Tax Act, such Acts being hereinafter called the "Tax Acts"
23 and such aggregate of 2.2% or 3.8%, as the case may be, of
24 moneys being hereinafter called the "Tax Act Amount", and (2)
25 the amount transferred to the Build Illinois Fund from the
26 State and Local Sales Tax Reform Fund shall be less than the
27 Annual Specified Amount (as hereinafter defined), an amount
28 equal to the difference shall be immediately paid into the
29 Build Illinois Fund from other moneys received by the
30 Department pursuant to the Tax Acts; the "Annual Specified
31 Amount" means the amounts specified below for fiscal years
32 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000

1	1987	\$76,650,000
2	1988	\$80,480,000
3	1989	\$88,510,000
4	1990	\$115,330,000
5	1991	\$145,470,000
6	1992	\$182,730,000
7	1993	\$206,520,000;

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

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

24 Subject to payment of amounts into the Build Illinois
25 Fund as provided in the preceding paragraph or in any
26 amendment thereto hereafter enacted, the following specified
27 monthly installment of the amount requested in the
28 certificate of the Chairman of the Metropolitan Pier and
29 Exposition Authority provided under Section 8.25f of the
30 State Finance Act, but not in excess of sums designated as
31 "Total Deposit", shall be deposited in the aggregate from
32 collections under Section 9 of the Use Tax Act, Section 9 of
33 the Service Use Tax Act, Section 9 of the Service Occupation
34 Tax Act, and Section 3 of the Retailers' Occupation Tax Act

1 into the McCormick Place Expansion Project Fund in the
2 specified fiscal years.

3	Fiscal Year	Total Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	84,000,000
14	2003	89,000,000
15	2004	93,000,000
16	2005	97,000,000
17	2006	102,000,000
18	2007	108,000,000
19	2008	115,000,000
20	2009	120,000,000
21	2010	126,000,000
22	2011	132,000,000
23	2012	138,000,000
24	2013 and	145,000,000

25 each fiscal year
26 thereafter that bonds
27 are outstanding under
28 Section 13.2 of the
29 Metropolitan Pier and
30 Exposition Authority
31 Act, but not after fiscal year 2029.

32 Beginning July 20, 1993 and in each month of each fiscal
33 year thereafter, one-eighth of the amount requested in the
34 certificate of the Chairman of the Metropolitan Pier and

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

11 Subject to payment of amounts into the Build Illinois
12 Fund and the McCormick Place Expansion Project Fund pursuant
13 to the preceding paragraphs or in any amendment thereto
14 hereafter enacted, each month the Department shall pay into
15 the Local Government Distributive Fund 0.4% of the net
16 revenue realized for the preceding month from the 5% general
17 rate or 0.4% of 80% of the net revenue realized for the
18 preceding month from the 6.25% general rate, as the case may
19 be, on the selling price of tangible personal property which
20 amount shall, subject to appropriation, be distributed as
21 provided in Section 2 of the State Revenue Sharing Act. No
22 payments or distributions pursuant to this paragraph shall be
23 made if the tax imposed by this Act on photoprocessing
24 products is declared unconstitutional, or if the proceeds
25 from such tax are unavailable for distribution because of
26 litigation.

27 Subject to payment of amounts into the Build Illinois
28 Fund, the McCormick Place Expansion Project Fund, and the
29 Local Government Distributive Fund pursuant to the preceding
30 paragraphs or in any amendments thereto hereafter enacted,
31 beginning July 1, 1993, the Department shall each month pay
32 into the Illinois Tax Increment Fund 0.27% of 80% of the net
33 revenue realized for the preceding month from the 6.25%
34 general rate on the selling price of tangible personal

1 property.

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

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

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

1 annual return to the Department shall also disclose the cost
2 of goods sold by the retailer during the year covered by such
3 return, opening and closing inventories of such goods for
4 such year, costs of goods used from stock or taken from stock
5 and given away by the retailer during such year, payroll
6 information of the retailer's business during such year and
7 any additional reasonable information which the Department
8 deems would be helpful in determining the accuracy of the
9 monthly, quarterly or annual returns filed by such retailer
10 as 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
13 liable as follows:

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

21 (ii) On and after January 1, 1994, the taxpayer
22 shall be liable for a penalty as described in Section 3-4
23 of the 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
27 who willfully signs the annual return containing false or
28 inaccurate information shall be guilty of perjury and
29 punished accordingly. The annual return form prescribed by
30 the Department shall include a warning that the person
31 signing the return may be liable for perjury.

32 The provisions of this Section concerning the filing of
33 an annual information return do not apply to a retailer who
34 is not required to file an income tax return with the United

1 States Government.

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

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

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

21 Any person who promotes, organizes, provides retail
22 selling space for concessionaires or other types of sellers
23 at the Illinois State Fair, DuQuoin State Fair, county fairs,
24 local fairs, art shows, flea markets and similar exhibitions
25 or events, including any transient merchant as defined by
26 Section 2 of the Transient Merchant Act of 1987, is required
27 to file a report with the Department providing the name of
28 the merchant's business, the name of the person or persons
29 engaged in merchant's business, the permanent address and
30 Illinois Retailers Occupation Tax Registration Number of the
31 merchant, the dates and location of the event and other
32 reasonable information that the Department may require. The
33 report must be filed not later than the 20th day of the month
34 next following the month during which the event with retail

1 sales was held. Any person who fails to file a report
2 required by this Section commits a business offense and is
3 subject to a fine not to exceed \$250.

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

25 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
26 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
27 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
28 eff. 1-1-01; revised 1-15-01.)

29 Section 940. The Property Tax Code is amended by
30 changing Section 18-165 as follows:

31 (35 ILCS 200/18-165)

32 Sec. 18-165. Abatement of taxes.

1 (a) Any taxing district, upon a majority vote of its
2 governing authority, may, after the determination of the
3 assessed valuation of its property, order the clerk of that
4 county to abate any portion of its taxes on the following
5 types of property:

6 (1) Commercial and industrial.

7 (A) The property of any commercial or
8 industrial firm, including but not limited to the
9 property of (i) any firm that is used for
10 collecting, separating, storing, or processing
11 recyclable materials, locating within the taxing
12 district during the immediately preceding year from
13 another state, territory, or country, or having been
14 newly created within this State during the
15 immediately preceding year, or expanding an existing
16 facility, or (ii) any firm that is used for the
17 generation and transmission of electricity locating
18 within the taxing district during the immediately
19 preceding year or expanding its presence within the
20 taxing district during the immediately preceding
21 year by construction of a new electric generating
22 facility that uses natural gas as its fuel, or any
23 firm that is used for production operations at a
24 new, expanded, or reopened coal mine within the
25 taxing district, that has been certified as a High
26 Impact Business by the Illinois Department of
27 Commerce and Community Affairs. The property of any
28 firm used for the generation and transmission of
29 electricity shall include all property of the firm
30 used for transmission facilities as defined in
31 Section 5.5 of the Illinois Enterprise Zone Act.
32 The abatement shall not exceed a period of 10 years
33 and the aggregate amount of abated taxes for all
34 taxing districts combined shall not exceed

1 \$4,000,000.

2 (A-5) Any property in the taxing district of a
3 new electric generating facility, as defined in
4 Section 605-332 of the Department of Commerce and
5 Community Affairs Law of the Civil Administrative
6 Code of Illinois. The abatement shall not exceed a
7 period of 10 years. The abatement shall be subject
8 to the following limitations:

9 (i) if the equalized assessed valuation
10 of the new electric generating facility is
11 equal to or greater than \$25,000,000 but less
12 than \$50,000,000, then the abatement may not
13 exceed (i) over the entire term of the
14 abatement, 5% of the taxing district's
15 aggregate taxes from the new electric
16 generating facility and (ii) in any one year of
17 abatement, 20% of the taxing district's taxes
18 from the new electric generating facility;

19 (ii) if the equalized assessed valuation
20 of the new electric generating facility is
21 equal to or greater than \$50,000,000 but less
22 than \$75,000,000, then the abatement may not
23 exceed (i) over the entire term of the
24 abatement, 10% of the taxing district's
25 aggregate taxes from the new electric
26 generating facility and (ii) in any one year of
27 abatement, 35% of the taxing district's taxes
28 from the new electric generating facility;

29 (iii) if the equalized assessed valuation
30 of the new electric generating facility is
31 equal to or greater than \$75,000,000 but less
32 than \$100,000,000, then the abatement may not
33 exceed (i) over the entire term of the
34 abatement, 20% of the taxing district's

1 aggregate taxes from the new electric
2 generating facility and (ii) in any one year of
3 abatement, 50% of the taxing district's taxes
4 from the new electric generating facility;

5 (iv) if the equalized assessed valuation
6 of the new electric generating facility is
7 equal to or greater than \$100,000,000 but less
8 than \$125,000,000, then the abatement may not
9 exceed (i) over the entire term of the
10 abatement, 30% of the taxing district's
11 aggregate taxes from the new electric
12 generating facility and (ii) in any one year of
13 abatement, 60% of the taxing district's taxes
14 from the new electric generating facility;

15 (v) if the equalized assessed valuation
16 of the new electric generating facility is
17 equal to or greater than \$125,000,000 but less
18 than \$150,000,000, then the abatement may not
19 exceed (i) over the entire term of the
20 abatement, 40% of the taxing district's
21 aggregate taxes from the new electric
22 generating facility and (ii) in any one year of
23 abatement, 60% of the taxing district's taxes
24 from the new electric generating facility;

25 (vi) if the equalized assessed valuation
26 of the new electric generating facility is
27 equal to or greater than \$150,000,000, then the
28 abatement may not exceed (i) over the entire
29 term of the abatement, 50% of the taxing
30 district's aggregate taxes from the new
31 electric generating facility and (ii) in any
32 one year of abatement, 60% of the taxing
33 district's taxes from the new electric
34 generating facility.

1 The abatement is not effective unless the owner
2 of the new electric generating facility agrees to
3 repay to the taxing district all amounts previously
4 abated, together with interest computed at the rate
5 and in the manner provided for delinquent taxes, in
6 the event that the owner of the new electric
7 generating facility closes the new electric
8 generating facility before the expiration of the
9 entire term of the abatement.

10 The authorization of taxing districts to abate
11 taxes under this subdivision (a)(1)(A-5) expires on
12 January 1, 2010.~~er~~

13 (B) The property of any commercial or
14 industrial development of at least 500 acres having
15 been created within the taxing district. The
16 abatement shall not exceed a period of 20 years and
17 the aggregate amount of abated taxes for all taxing
18 districts combined shall not exceed \$12,000,000.

19 (C) The property of any commercial or
20 industrial firm currently located in the taxing
21 district that expands a facility or its number of
22 employees. The abatement shall not exceed a period
23 of 10 years and the aggregate amount of abated taxes
24 for all taxing districts combined shall not exceed
25 \$4,000,000. The abatement period may be renewed at
26 the option of the taxing districts.

27 (2) Horse racing. Any property in the taxing
28 district which is used for the racing of horses and upon
29 which capital improvements consisting of expansion,
30 improvement or replacement of existing facilities have
31 been made since July 1, 1987. The combined abatements
32 for such property from all taxing districts in any county
33 shall not exceed \$5,000,000 annually and shall not exceed
34 a period of 10 years.

1 (3) Auto racing. Any property designed exclusively
2 for the racing of motor vehicles. Such abatement shall
3 not exceed a period of 10 years.

4 (4) Academic or research institute. The property
5 of any academic or research institute in the taxing
6 district that (i) is an exempt organization under
7 paragraph (3) of Section 501(c) of the Internal Revenue
8 Code, (ii) operates for the benefit of the public by
9 actually and exclusively performing scientific research
10 and making the results of the research available to the
11 interested public on a non-discriminatory basis, and
12 (iii) employs more than 100 employees. An abatement
13 granted under this paragraph shall be for at least 15
14 years and the aggregate amount of abated taxes for all
15 taxing districts combined shall not exceed \$5,000,000.

16 (5) Housing for older persons. Any property in the
17 taxing district that is devoted exclusively to affordable
18 housing for older households. For purposes of this
19 paragraph, "older households" means those households (i)
20 living in housing provided under any State or federal
21 program that the Department of Human Rights determines is
22 specifically designed and operated to assist elderly
23 persons and is solely occupied by persons 55 years of age
24 or older and (ii) whose annual income does not exceed 80%
25 of the area gross median income, adjusted for family
26 size, as such gross income and median income are
27 determined from time to time by the United States
28 Department of Housing and Urban Development. The
29 abatement shall not exceed a period of 15 years, and the
30 aggregate amount of abated taxes for all taxing districts
31 shall not exceed \$3,000,000.

32 (6) Historical society. For assessment years 1998
33 through 2000, the property of an historical society
34 qualifying as an exempt organization under Section

1 501(c)(3) of the federal Internal Revenue Code.

2 (7) Recreational facilities. Any property in the
3 taxing district (i) that is used for a municipal airport,
4 (ii) that is subject to a leasehold assessment under
5 Section 9-195 of this Code and (iii) which is sublet from
6 a park district that is leasing the property from a
7 municipality, but only if the property is used
8 exclusively for recreational facilities or for parking
9 lots used exclusively for those facilities. The
10 abatement shall not exceed a period of 10 years.

11 (b) Upon a majority vote of its governing authority, any
12 municipality may, after the determination of the assessed
13 valuation of its property, order the county clerk to abate
14 any portion of its taxes on any property that is located
15 within the corporate limits of the municipality in accordance
16 with Section 8-3-18 of the Illinois Municipal Code.

17 (Source: P.A. 90-46, eff. 7-3-97; 90-415, eff. 8-15-97;
18 90-568, eff. 1-1-99; 90-655, eff. 7-30-98; 91-644, eff.
19 8-20-99; 91-885, eff. 7-6-00.)

20 Section 945. The Public Utilities Act is amended by
21 changing Sections 9-222, 9-222.1A, and 16-126 as follows:

22 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

23 Sec. 9-222. Whenever a tax is imposed upon a public
24 utility engaged in the business of distributing, supplying,
25 furnishing, or selling gas for use or consumption pursuant to
26 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
27 required to be collected by a delivering supplier pursuant to
28 Section 2-7 of the Electricity Excise Tax Act, or whenever a
29 tax is imposed upon a public utility pursuant to Section
30 2-202 of this Act, such utility may charge its customers,
31 other than customers who are high impact businesses under
32 Section 5.5 of the Illinois Enterprise Zone Act, or certified

1 business enterprises under Section 9-222.1 of this Act, to
2 the extent of such exemption and during the period in which
3 such exemption is in effect, in addition to any rate
4 authorized by this Act, an additional charge equal to the
5 total amount of such taxes. The exemption of this Section
6 relating to high impact businesses shall be subject to the
7 provisions of subsections (a), and (b), and (b-5) of Section
8 5.5 of the Illinois Enterprise Zone Act. This requirement
9 shall not apply to taxes on invested capital imposed pursuant
10 to the Messages Tax Act, the Gas Revenue Tax Act and the
11 Public Utilities Revenue Act. Such utility shall file with
12 the Commission a supplemental schedule which shall specify
13 such additional charge and which shall become effective upon
14 filing without further notice. Such additional charge shall
15 be shown separately on the utility bill to each customer.
16 The Commission shall have the power to investigate whether or
17 not such supplemental schedule correctly specifies such
18 additional charge, but shall have no power to suspend such
19 supplemental schedule. If the Commission finds, after a
20 hearing, that such supplemental schedule does not correctly
21 specify such additional charge, it shall by order require a
22 refund to the appropriate customers of the excess, if any,
23 with interest, in such manner as it shall deem just and
24 reasonable, and in and by such order shall require the
25 utility to file an amended supplemental schedule
26 corresponding to the finding and order of the Commission.
27 Except with respect to taxes imposed on invested capital,
28 such tax liabilities shall be recovered from customers solely
29 by means of the additional charges authorized by this
30 Section.

31 (Source: P.A. 91-914, eff. 7-7-00.)

32 (220 ILCS 5/9-222.1A)

33 Sec. 9-222.1A. High impact business. Beginning on August

1 1, 1998 and thereafter, a business enterprise that is
2 certified as a High Impact Business by the Department of
3 Commerce and Community Affairs is exempt from the tax
4 imposed by Section 2-4 of the Electricity Excise Tax Law, if
5 the High Impact Business is registered to self-assess that
6 tax, and is exempt from any additional charges added to the
7 business enterprise's utility bills as a pass-on of State
8 utility taxes under Section 9-222 of this Act, to the extent
9 the tax or charges are exempted by the percentage specified
10 by the Department of Commerce and Community Affairs for
11 State utility taxes, provided the business enterprise meets
12 the following criteria:

13 (1) (A) it intends either (i) to make a minimum
14 eligible investment of \$12,000,000 that will be
15 placed in service in qualified property in Illinois
16 and is intended to create at least 500 full-time
17 equivalent jobs at a designated location in
18 Illinois; or (ii) to make a minimum eligible
19 investment of \$30,000,000 that will be placed in
20 service in qualified property in Illinois and is
21 intended to retain at least 1,500 full-time
22 equivalent jobs at a designated location in
23 Illinois; or

24 (B) it meets the criteria of subdivision
25 (a)(3)(B), (a)(3)(C), or (a)(3)(D) of Section 5.5 of
26 the Illinois Enterprise Zone Act;

27 (2) it is designated as a High Impact Business by
28 the Department of Commerce and Community Affairs; and

29 (3) it is certified by the Department of Commerce
30 and Community Affairs as complying with the requirements
31 specified in clauses (1) and (2) of this Section.

32 The Department of Commerce and Community Affairs shall
33 determine the period during which the exemption from the
34 Electricity Excise Tax Law and the charges imposed under

1 Section 9-222 are in effect, which shall not exceed 20 years
 2 from the date of initial certification, and shall specify the
 3 percentage of the exemption from those taxes or additional
 4 charges.

5 The Department of Commerce and Community Affairs is
 6 authorized to promulgate rules and regulations to carry out
 7 the provisions of this Section, including procedures for
 8 complying with the requirements specified in clauses (1)
 9 and (2) of this Section and procedures for applying for the
 10 exemptions authorized under this Section; to define the
 11 amounts and types of eligible investments that business
 12 enterprises must make in order to receive State utility tax
 13 exemptions or exemptions from the additional charges imposed
 14 under Section 9-222 and this Section; to approve such utility
 15 tax exemptions for business enterprises whose investments are
 16 not yet placed in service; and to require that business
 17 enterprises granted tax exemptions or exemptions from
 18 additional charges under Section 9-222 repay the exempted
 19 amount if the business enterprise fails to comply with the
 20 terms and conditions of the certification.

21 Upon certification of the business enterprises by the
 22 Department of Commerce and Community Affairs, the Department
 23 of Commerce and Community Affairs shall notify the Department
 24 of Revenue of the certification. The Department of Revenue
 25 shall notify the public utilities of the exemption status of
 26 business enterprises from the tax or pass-on charges of State
 27 utility taxes. The exemption status shall take effect within
 28 3 months after certification of the business enterprise.

29 (Source: P.A. 91-914, eff. 7-7-00.)

30 (220 ILCS 5/16-126)

31 Sec. 16-126. Membership in an independent system
 32 operator.

33 (a) The General Assembly finds that the establishment of

1 one or more independent system operators or their functional
2 equivalents is required to facilitate the development of an
3 open and efficient marketplace for electric power and energy
4 to the benefit of Illinois consumers. Therefore, each
5 Illinois electric utility owning or controlling transmission
6 facilities or providing transmission services in Illinois and
7 that is a member of the Mid-American Interconnected Network
8 as of the effective date of this amendatory Act of 1997 shall
9 submit for approval to the Federal Energy Regulatory
10 Commission an application for establishing or joining an
11 independent system operator that shall:

12 (1) independently manage and control transmission
13 facilities of any electric utility;

14 (2) provide for nondiscriminatory access to and use
15 of the transmission system for buyers and sellers of
16 electricity;

17 (3) direct the transmission activities of the
18 control area operators;

19 (4) coordinate, plan, and order the installation of
20 new transmission facilities;

21 (5) adopt inspection, maintenance, repair, and
22 replacement standards for the transmission facilities
23 under its control and direct maintenance, repair, and
24 replacement of all facilities under its control; and

25 (6) implement procedures and act to assure the
26 provision of adequate and reliable service.

27 These standards shall be consistent with reliability
28 criteria no less stringent than those established by the
29 Mid-American Interconnected Network and the North American
30 Electric Reliability Council or their successors.

31 (b) The requirements of this Section may be met by
32 joining or establishing a regional independent system
33 operator that meets the criteria enumerated in subsections
34 (a), (c), and (d) of this Section, as determined by the

1 Commission. To achieve the objectives set forth in subsection
2 (a), the State of Illinois, through the appropriate officers,
3 departments, and agencies, shall work cooperatively with the
4 appropriate officials and agencies of those States contiguous
5 to this State and the Federal Energy Regulatory Commission
6 towards the formation of one or more regional independent
7 system operators.

8 (c) The independent system operator's governance
9 structure must be fair and nondiscriminatory, and the
10 independent system operator must be independent of any one
11 market participant or class of participants. The independent
12 system operator's rules of governance must prevent control,
13 or the appearance of control, of decision-making by any class
14 of participants.

15 (d) Participants in the independent system operator
16 shall make available to the independent system operator all
17 information required by the independent system operator in
18 performance of its functions described herein. The
19 independent system operator and the electric utilities
20 participating in the independent system operator shall make
21 all filings required by the Federal Energy Regulatory
22 Commission. The independent system operator shall ensure that
23 additional filings at the Federal Energy Regulatory
24 Commission request confirmation of the relevant provisions of
25 this amendatory Act of 1997.

26 (e) If a spot market, exchange market, or other
27 market-based mechanism providing transparent real-time market
28 prices for electric power has not been developed, the
29 independent system operator or a closely cooperating agent of
30 the independent system operator may provide an efficient
31 competitive power exchange auction for electric power and
32 energy, open on a nondiscriminatory basis to all suppliers,
33 which meets the loads of all auction customers at efficient
34 prices.

1 (f) For those electric utilities referred to in
2 subsection (a) which have not filed with the Federal Energy
3 Regulatory Commission by June 30, 1998 an application for
4 establishment or participation in an independent system
5 operator or if such application has not been approved by the
6 Federal Energy Regulatory Commission by March 31, 1999, a 5
7 member Oversight Board shall be formed. The Oversight Board
8 shall (1) oversee the creation of an Illinois independent
9 system operator and (2) determine the composition and initial
10 terms of service of, and appoint the initial members of, the
11 Illinois independent system operator board of directors. The
12 Oversight Board shall consist of the following: (1) 3 persons
13 appointed by the Governor; (2) one person appointed by the
14 Speaker of the House of Representatives; and (3) one person
15 appointed by the President of the Senate. The Oversight Board
16 shall take the steps that are necessary to ensure the
17 earliest possible incorporation of an Illinois independent
18 system operator under the Business Corporation Act of 1983,
19 and shall serve until the Illinois independent system
20 operator is incorporated.

21 (g) After notice and hearing, the Commission shall
22 require each electric utility referred to in subsection (a),
23 that is not participating in an independent system operator
24 meeting the requirements of subsections (a) and (c), to seek
25 authority from the Federal Energy Regulatory Commission to
26 transfer functional control of transmission facilities to the
27 Illinois independent system operator for control by the
28 Illinois independent system operator consistent with the
29 requirements of subsection (a). Upon approval by the Federal
30 Energy Regulatory Commission, electric utilities may also
31 elect to transfer ownership of transmission facilities to the
32 Illinois independent system operator. Nothing in this Act
33 shall be deemed to preclude the Illinois independent system
34 operator from (1) seeking authority, as necessary, to merge

1 with or otherwise combine its operations with those of one or
2 more other entities authorized to provide transmission
3 services, (2) purchasing or leasing transmission assets from
4 transmission-owning entities not required by this Section to
5 lease transmission facilities to the Illinois independent
6 system operator, or (3) operating as a transmission public
7 utility under the Federal Power Act.

8 (h) Any other owner of transmission facilities in
9 Illinois not required by this Section to participate in an
10 independent system operator shall be permitted, but not
11 required, to become a member of the Illinois independent
12 system operator.

13 (i) The Illinois independent system operator created
14 under this Section, and any other independent system operator
15 authorized by the Federal Energy Regulatory Commission to
16 provide transmission services as a public utility under the
17 Federal Power Act within the State of Illinois, shall be
18 deemed to be a public utility for purposes of Section 8-503
19 and 8-509 of this Act. An independent system operator or
20 regional transmission organization that is the subject of an
21 order entered by the Commission under Section 8-503 need not
22 possess a certificate of service authority under Section
23 8-406 in order to be authorized to take the actions set forth
24 in Section 8-509.

25 (j) Electric utilities referred to in subsection (a) may
26 withdraw from the Illinois independent system operator upon
27 becoming a member of an independent system operator or
28 operators conforming with the criteria in subsections (a) and
29 (c) and whose formation and operation has been approved by
30 the Federal Energy Regulatory Commission. This subsection
31 does not relieve any electric utility of any obligations
32 under Federal law.

33 (k) Nothing in this Section shall be construed as
34 imposing any requirements or obligations that are in conflict

1 with federal law.

2 (1) A regional transmission organization created under
3 the rules of the Federal Energy Regulatory Commission shall
4 be considered to be the functional equivalent of an
5 independent system operator for purposes of this Section, and
6 an electric utility shall be deemed to meet its obligations
7 under this Section through membership in a regional
8 transmission organization that fulfills the requirements of
9 an independent system operator under this Section.

10 (Source: P.A. 90-561, eff. 12-16-97.)

11 Section 950. The Environmental Protection Act is amended
12 by changing Section 9.9 and adding Section 9.10 as follows:

13 (415 ILCS 5/9.9)

14 Sec. 9.9. Nitrogen oxides trading system.

15 (a) The General Assembly finds:

16 (1) That USEPA has issued a Final Rule published in
17 the Federal Register on October 27, 1998, entitled
18 "Finding of Significant Contribution and Rulemaking for
19 Certain States in the Ozone Transport Assessment Group
20 Region for Purposes of Reducing Regional Transport of
21 Ozone", hereinafter referred to as the "NOx SIP Call",
22 compliance with which will require reducing emissions of
23 nitrogen oxides ("NOx");

24 (2) That reducing emissions of NOx in the State
25 helps the State to meet the national ambient air quality
26 standard for ozone;

27 (3) That emissions trading is a cost-effective
28 means of obtaining reductions of NOx emissions.

29 (b) The Agency shall propose and the Board shall adopt
30 regulations to implement an interstate NOx trading program
31 (hereinafter referred to as the "NOx Trading Program") as
32 provided for in 40 CFR Part 96, including incorporation by

1 reference of appropriate provisions of 40 CFR Part 96 and
2 regulations to address 40 CFR Section 96.4(b), Section
3 96.55(c), Subpart E, and Subpart I. In addition, the Agency
4 shall propose and the Board shall adopt regulations to
5 implement NOx emission reduction programs for cement kilns
6 and stationary internal combustion engines.

7 (c) Allocations of NOx allowances to large electric
8 generating units ("EGUs") and large non-electric generating
9 units ("non-EGUs"), as defined by 40 CFR Part 96.4(a), shall
10 not exceed the State's trading budget for those source
11 categories to be included in the State Implementation Plan
12 for NOx.

13 (d) In adopting regulations to implement the NOx Trading
14 Program, the Board shall:

15 (1) assure that the economic impact and technical
16 feasibility of NOx emissions reductions under the NOx
17 Trading Program are considered relative to the
18 traditional regulatory control requirements in the State
19 for EGUs and non-EGUs;

20 (2) provide that emission units, as defined in
21 Section 39.5(1) of this Act, may opt into the NOx Trading
22 Program;

23 (3) provide for voluntary reductions of NOx
24 emissions from emission units, as defined in Section
25 39.5(1) of this Act, not otherwise included under
26 paragraph (c) or (d)(2) of this Section to provide
27 additional allowances to EGUs and non-EGUs to be
28 allocated by the Agency. The regulations shall further
29 provide that such voluntary reductions are verifiable,
30 quantifiable, permanent, and federally enforceable;

31 (4) provide that the Agency allocate to non-EGUs
32 allowances that are designated in the rule, unless the
33 Agency has been directed to transfer the allocations to
34 another unit subject to the requirements of the NOx

1 Trading Program, and that upon shutdown of a non-EGU, the
2 unit may transfer or sell the NOx allowances that are
3 allocated to such unit; and

4 (5) provide that the Agency shall set aside
5 annually a number of allowances, not to exceed 5% of the
6 total EGU trading budget, to be made available to new
7 EGUs.

8 (A) Those EGUs that commence commercial
9 operation, as defined in 40 CFR Section 96.2, at a
10 time that is more than half way through the control
11 period in 2003 2002 shall return to the Agency any
12 allowances that were issued to it by the Agency and
13 were not used for compliance in 2004 2003.

14 (B) The Agency may charge EGUs that commence
15 commercial operation, as defined in 40 CFR Section
16 96.2, on or after January 1, 2003, for the
17 allowances it issues to them.

18 (e) The Agency may adopt procedural rules, as necessary,
19 to implement the regulations promulgated by the Board
20 pursuant to subsections (b) and (d) and to implement
21 subsection (i) of this Section.

22 (f) Notwithstanding any provisions in subparts T, U, and
23 W of Section 217 of Title 35 of the Illinois Administrative
24 Code to the contrary, compliance with the regulations
25 promulgated by the Board pursuant to subsections (b) and (d)
26 of this Section is required by May 31, 2004. The--regulations
27 promulgated--by-the-Board-pursuant-to-subsections-(b)-and-(d)
28 of-this-Section-shall-not-be-enforced-until-the-later-of--May
29 17-2003,-or-the-first-day-of-the-control-season-subsequent-to
30 the-calendar-year-in-which-all-of-the-other-states-subject-to
31 the--provisions-of-the-NOx-SIP-Call-that-are-located-in-USEPA
32 Region-V-or-that-are--contiguous--to--Illinois--have--adopted
33 regulations--to--implement--NOx--trading--programs--and-other
34 required-reductions-of-NOx-emissions-pursuant-to-the-NOx--SIP

1 Call, and such regulations have received final approval by
2 USEPA as part of the respective states' SIPS for ozone, or a
3 final FIP for ozone promulgated by USEPA is effective for
4 such other states.

5 (g) To the extent that a court of competent jurisdiction
6 finds a provision of 40 CFR Part 96 invalid, the
7 corresponding Illinois provision shall be stayed until such
8 provision of 40 CFR Part 96 is found to be valid or is
9 re-promulgated. To the extent that USEPA or any court of
10 competent jurisdiction stays the applicability of any
11 provision of the NOx SIP Call to any person or circumstance
12 relating to Illinois, during the period of that stay, the
13 effectiveness of the corresponding Illinois provision shall
14 be stayed. To the extent that the invalidity of the
15 particular requirement or application does not affect other
16 provisions or applications of the NOx SIP Call pursuant to 40
17 CFR 51.121 or the NOx trading program pursuant to 40 CFR Part
18 96 or 40 CFR Part 97, this Section, and rules or regulations
19 promulgated hereunder, will be given effect without the
20 invalid provisions or applications.

21 (h) Notwithstanding any other provision of this Act, any
22 source or other authorized person that participates in the
23 NOx Trading Program shall be eligible to exchange NOx
24 allowances with other sources in accordance with this Section
25 and with regulations promulgated by the Board or the Agency.

26 (i) There is hereby created within the State Treasury an
27 interest-bearing special fund to be known as the NOx Trading
28 System Fund, which shall be used and administered by the
29 Agency for the purposes stated below:

30 (1) To accept funds from persons who purchase NOx
31 allowances from the Agency;

32 (2) To disburse the proceeds of the NOx allowances
33 sales pro-rata to the owners or operators of the EGUs
34 that received allowances from the Agency but not from the

1 Agency's set-aside, in accordance with regulations that
2 may be promulgated by the Agency; and

3 (3) To finance the reasonable costs incurred by the
4 Agency in the administration of the NOx Trading System.

5 (Source: P.A. 91-631, eff. 8-19-99.)

6 (415 ILCS 5/9.10 new)

7 Sec. 9.10. Fossil fuel-fired electric generating plants.

8 (a) The General Assembly finds and declares that:

9 (1) fossil fuel-fired electric generating plants
10 are a significant source of air emissions in this State
11 and have become the subject of a number of important new
12 studies of their effects on the public health;

13 (2) existing state and federal policies, that allow
14 older plants that meet federal standards to operate
15 without meeting the more stringent requirements
16 applicable to new plants, are being questioned on the
17 basis of their environmental impacts and the economic
18 distortions such policies cause in a deregulated energy
19 market;

20 (3) fossil fuel-fired electric generating plants
21 are, or may be, affected by a number of regulatory
22 programs, some of which are under review or development
23 on the state and national levels, and to a certain extent
24 the international level, including the federal acid rain
25 program, tropospheric ozone, mercury and other hazardous
26 pollutant control requirements, regional haze, and global
27 warming;

28 (4) scientific uncertainty regarding the formation
29 of certain components of regional haze and the air
30 quality modeling that predict impacts of control measures
31 requires careful consideration of the timing of the
32 control of some of the pollutants from these facilities,
33 particularly sulfur dioxides and nitrogen oxides that

1 each interact with ammonia and other substances in the
2 atmosphere;

3 (5) the development of energy policies to promote a
4 safe, sufficient, reliable, and affordable energy supply
5 on the state and national levels is being affected by the
6 on-going deregulation of the power generation industry
7 and the evolving energy markets;

8 (6) the Governor's formation of an Energy Cabinet
9 and the development of a State energy policy calls for
10 actions by the Agency and the Board that are in harmony
11 with the energy needs and policy of the State, while
12 protecting the public health and the environment;

13 (7) Illinois coal is an abundant resource and an
14 important component of Illinois' economy whose use should
15 be encouraged to the greatest extent possible consistent
16 with protecting the public health and the environment;

17 (8) renewable forms of energy should be promoted as
18 an important element of the energy and environmental
19 policies of the State and that it is a goal of the State
20 that at least 5% of the State's energy production and use
21 be derived from renewable forms of energy by 2010 and at
22 least 15% from renewable forms of energy by 2020;

23 (9) efforts on the state and federal levels are
24 underway to consider the multiple environmental
25 regulations affecting electric generating plants in order
26 to improve the ability of government and the affected
27 industry to engage in effective planning through the use
28 of multi-pollutant strategies; and

29 (10) these issues, taken together, call for a
30 comprehensive review of the impact of these facilities on
31 the public health, considering also the energy supply,
32 reliability, and costs, the role of renewable forms of
33 energy, and the developments in federal law and
34 regulations that may affect any state actions, prior to

1 making final decisions in Illinois.

2 (b) Taking into account the findings and declarations of
3 the General Assembly contained in subsection (a) of this
4 Section, the Agency shall, before September 30, 2004, but not
5 before September 30, 2003, issue to the House and Senate
6 Committees on Environment and Energy findings that address
7 the potential need for the control or reduction of emissions
8 from fossil fuel-fired electric generating plants, including
9 the following provisions:

10 (1) reduction of nitrogen oxide emissions, as
11 appropriate, with consideration of maximum annual
12 emissions rate limits or establishment of an emissions
13 trading program and with consideration of the
14 developments in federal law and regulations that may
15 affect any State action, prior to making final decisions
16 in Illinois;

17 (2) reduction of sulfur dioxide emissions, as
18 appropriate, with consideration of maximum annual
19 emissions rate limits or establishment of an emissions
20 trading program and with consideration of the
21 developments in federal law and regulations that may
22 affect any State action, prior to making final decisions
23 in Illinois;

24 (3) incentives to promote renewable sources of
25 energy consistent with item (8) of subsection (a) of
26 this Section;

27 (4) reduction of mercury as appropriate,
28 consideration of the availability of control technology,
29 industry practice requirements, or incentive programs, or
30 some combination of these approaches that are sufficient
31 to prevent unacceptable local impacts from individual
32 facilities and with consideration of the developments in
33 federal law and regulations that may affect any state
34 action, prior to making final decisions in Illinois; and

1 (5) establishment of a banking system, consistent
2 with the United States Department of Energy's voluntary
3 reporting system, for certifying credits for voluntary
4 offsets of emissions of greenhouse gases, as identified
5 by the United States Environmental Protection Agency, or
6 other voluntary reductions of greenhouse gases. Such
7 reduction efforts may include, but are not limited to,
8 carbon sequestration, technology-based control measures,
9 energy efficiency measures, and the use of renewable
10 energy sources.

11 The Agency shall consider the impact on the public
12 health, considering also energy supply, reliability and
13 costs, the role of renewable forms of energy, and
14 developments in federal law and regulations that may affect
15 any state actions, prior to making final decisions in
16 Illinois.

17 (c) Nothing in this Section is intended to or should be
18 interpreted in a manner to limit or restrict the authority of
19 the Illinois Environmental Protection Agency to propose, or
20 the Illinois Pollution Control Board to adopt, any
21 regulations applicable or that may become applicable to the
22 facilities covered by this Section that are required by
23 federal law.

24 (d) The Agency may file proposed rules with the Board to
25 effectuate its findings provided to the Senate Committee on
26 Environment and Energy and the House Committee on Environment
27 and Energy in accordance with subsection (b) of this Section.
28 Any such proposal shall not be submitted sooner than 90 days
29 after the issuance of the findings provided for in subsection
30 (b) of this Section. The Board shall take action on any such
31 proposal within one year of the Agency's filing of the
32 proposed rules.

33 (e) This Section shall apply only to those electrical
34 generating units that are subject to the provisions of

1 Subpart W of Part 217 of Title 35 of the Illinois
2 Administrative Code, as promulgated by the Illinois Pollution
3 Control Board on December 21, 2000.

4 Section 955. The Illinois Development Finance Authority
5 Act is amended by adding Section 7.90 as follows:

6 (20 ILCS 3505/7.90 new)

7 Sec. 7.90. Clean Coal and Energy Project Financing.

8 (a) Findings and declaration of policy. It is hereby
9 found and declared that Illinois has abundant coal resources
10 and, in some areas of Illinois, the demand for power exceeds
11 the generating capacity. Incentives to encourage the
12 construction of coal-fired electric generating plants in
13 Illinois to ensure power-generating capacity into the future
14 are in the best interests of all of the citizens of Illinois.
15 The Authority is authorized to issue bonds to help finance
16 Clean Coal and Energy projects pursuant to this Section and
17 under this Act.

18 (b) Definition. "Clean Coal and Energy projects" means
19 new electric generating facilities, as defined in Section
20 605-332 of the Department of Commerce and Community Affairs
21 Law of the Civil Administrative Code of Illinois, which may
22 include mine-mouth power plants, projects that employ the use
23 of clean coal technology, projects to develop alternative
24 energy sources, including renewable energy projects, projects
25 to provide scrubber technology for existing energy generating
26 plants, or projects to provide electric transmission
27 facilities.

28 (c) Creation of reserve funds. The Authority may
29 establish and maintain one or more reserve funds to enhance
30 bonds issued by the Authority for Clean Coal and Energy
31 projects under this Section. There may be one or more
32 accounts in these reserve funds in which there may be

1 deposited:

2 (1) any proceeds of bonds issued by the Authority
3 required to be deposited therein by the terms of any
4 contract between the Authority and its bondholders or any
5 resolution of the Authority;

6 (2) any other moneys or funds of the Authority that
7 it may determine to deposit therein from any other
8 source; and

9 (3) any other moneys or funds made available to the
10 Authority.

11 Subject to the terms of any pledge to the owners of any
12 bonds, moneys in any reserve fund may be held and applied to
13 the payment of the interest, premium, if any, or principal of
14 bonds or for any other purpose authorized by the Authority.

15 (d) Powers and duties. The Authority has the power:

16 (1) To issue bonds in one or more series pursuant
17 to one or more resolutions of the Authority for any Clean
18 Coal and Energy projects authorized under this Section,
19 within the authorization set forth in subsection (e).

20 (2) To provide for the funding of any reserves or
21 other funds or accounts deemed necessary by the Authority
22 in connection with any bonds issued by the Authority.

23 (3) To pledge any funds of the Authority or funds
24 made available to the Authority that may be applied to
25 such purpose as security for any bonds or any guarantees,
26 letters of credit, insurance contracts, or similar credit
27 support or liquidity instruments securing the bonds.

28 (4) To enter into agreements or contracts with
29 third parties, whether public or private, including,
30 without limitation, the United States of America, the
31 State, or any department or agency thereof, to obtain any
32 appropriations, grants, loans, or guarantees that are
33 deemed necessary or desirable by the Authority. Any such
34 guarantee, agreement, or contract may contain terms and

1 provisions necessary or desirable in connection with the
2 program, subject to the requirements established by the
3 Act.

4 (5) To exercise such other powers as are necessary
5 or incidental to the foregoing.

6 (e) Clean Coal Energy bond authorization and financing
7 limits. In addition to any other bonds authorized to be
8 issued under this Act, the Authority may have outstanding, at
9 any time, bonds for the purpose enumerated in this Section in
10 an aggregate principal amount that shall not exceed
11 \$3,000,000,000, of which no more than \$300,000,000 may be
12 issued to finance transmission facilities, no more than
13 \$500,000,000 may be issued to finance scrubbers at existing
14 generating plants, no more than \$500,000,000 may be issued to
15 finance alternative energy sources, including renewable
16 energy projects, and no more than \$1,700,000,000 may be
17 issued to finance new electric generating facilities, as
18 defined in Section 605-332 of the Department of Commerce and
19 Community Affairs Law of the Civil Administrative Code of
20 Illinois, which may include mine-mouth power plants. An
21 application for a loan financed from bond proceeds from a
22 borrower or its affiliates for a Clean Coal and Energy
23 project may not be approved by the Authority for an amount in
24 excess of \$450,000,000 for any borrower or its affiliates.
25 These bonds shall not constitute an indebtedness or
26 obligation of the State of Illinois and it shall be plainly
27 stated on the face of each bond that it does not constitute
28 an indebtedness or obligation of the State of Illinois but is
29 payable solely from the revenues, income, or other assets of
30 the Authority pledged therefor.

31 (f) Criteria for participation in the program.
32 Applications to the Authority for financing of any Clean Coal
33 and Energy project shall be reviewed by the Authority. Upon
34 submission of any such application, the Authority staff shall

1 review the application for its completeness and may, at the
2 discretion of the Authority staff, request such additional
3 information as it deems necessary or advisable to aid in
4 review. If the Authority receives applications for financing
5 for Clean Coal and Energy projects in excess of the bond
6 authorization available for such financing at any one time,
7 it shall consider applications in the order of priority as it
8 shall determine, in consultation with other State agencies.

9 Section 999. Effective date. This Act takes effect on
10 July 1, 2001."