

1 AN ACT in relation to taxation.

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

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

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

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

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be  
24 distributed to municipalities as provided in this paragraph.  
25 Each municipality shall receive the amount attributable to  
26 sales for which Illinois addresses for titling or  
27 registration purposes are given as being in such  
28 municipality. The remainder of the money paid into the Local  
29 Government Tax Fund from such sales shall be distributed to  
30 counties. Each county shall receive the amount attributable  
31 to sales for which Illinois addresses for titling or

1 registration purposes are given as being located in the  
2 unincorporated area of such county.

3 A portion of the money paid into the Local Government Tax  
4 Fund from the 6.25% general rate (and, beginning July 1, 2000  
5 and through December 31, 2000, the 1.25% rate on motor fuel  
6 and gasohol, and, beginning August 1 and through August 8 of  
7 2001 and each year thereafter, the 1.25% rate on "school  
8 supplies" as defined in Section 2-10 of the Retailers'  
9 Occupation Tax Act) on sales subject to taxation under the  
10 Retailers' Occupation Tax Act and the Service Occupation Tax  
11 Act, which occurred in municipalities, shall be distributed  
12 to each municipality, based upon the sales which occurred in  
13 that municipality. The remainder shall be distributed to each  
14 county, based upon the sales which occurred in the  
15 unincorporated area of such county.

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

25 Whenever the Department determines that a refund of money  
26 paid into the Local Government Tax Fund should be made to a  
27 claimant instead of issuing a credit memorandum, the  
28 Department shall notify the State Comptroller, who shall  
29 cause the order to be drawn for the amount specified, and to  
30 the person named, in such notification from the Department.  
31 Such refund shall be paid by the State Treasurer out of the  
32 Local Government Tax Fund.

33 On or before the 25th day of each calendar month, the  
34 Department shall prepare and certify to the Comptroller the

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

23 When certifying the amount of monthly disbursement to a  
24 municipality or county under this Section, the Department  
25 shall increase or decrease that amount by an amount necessary  
26 to offset any misallocation of previous disbursements. The  
27 offset amount shall be the amount erroneously disbursed  
28 within the 6 months preceding the time a misallocation is  
29 discovered.

30 The provisions directing the distributions from the  
31 special fund in the State Treasury provided for in this  
32 Section shall constitute an irrevocable and continuing  
33 appropriation of all amounts as provided herein. The State  
34 Treasurer and State Comptroller are hereby authorized to make

1 distributions as provided in this Section.

2 In construing any development, redevelopment, annexation,  
3 preannexation or other lawful agreement in effect prior to  
4 September 1, 1990, which describes or refers to receipts from  
5 a county or municipal retailers' occupation tax, use tax or  
6 service occupation tax which now cannot be imposed, such  
7 description or reference shall be deemed to include the  
8 replacement revenue for such abolished taxes, distributed  
9 from the Local Government Tax Fund.

10 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99;  
11 91-872, eff. 7-1-00.)

12 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

13 Sec. 6z-20. Of the money received from the 6.25% general  
14 rate (and, beginning July 1, 2000 and through December 31,  
15 2000, the 1.25% rate on motor fuel and gasohol, and,  
16 beginning August 1 and through August 8 of 2001 and each year  
17 thereafter, the 1.25% rate on "school supplies" as defined in  
18 Section 2-10 of the Retailers' Occupation Tax Act) on sales  
19 subject to taxation under the Retailers' Occupation Tax Act  
20 and Service Occupation Tax Act and paid into the County and  
21 Mass Transit District Fund, distribution to the Regional  
22 Transportation Authority tax fund, created pursuant to  
23 Section 4.03 of the Regional Transportation Authority Act,  
24 for deposit therein shall be made based upon the retail sales  
25 occurring in a county having more than 3,000,000 inhabitants.  
26 The remainder shall be distributed to each county having  
27 3,000,000 or fewer inhabitants based upon the retail sales  
28 occurring in each such county.

29 For the purpose of determining allocation to the local  
30 government unit, a retail sale by a producer of coal or other  
31 mineral mined in Illinois is a sale at retail at the place  
32 where the coal or other mineral mined in Illinois is  
33 extracted from the earth. This paragraph does not apply to

1 coal or other mineral when it is delivered or shipped by the  
2 seller to the purchaser at a point outside Illinois so that  
3 the sale is exempt under the United States Constitution as a  
4 sale in interstate or foreign commerce.

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

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

32 On or before the 25th day of each calendar month, the  
33 Department shall prepare and certify to the Comptroller the  
34 disbursement of stated sums of money to the Regional

1 Transportation Authority and to named counties, the counties  
2 to be those entitled to distribution, as hereinabove  
3 provided, of taxes or penalties paid to the Department during  
4 the second preceding calendar month. The amount to be paid  
5 to the Regional Transportation Authority and each county  
6 having 3,000,000 or fewer inhabitants shall be the amount  
7 (not including credit memoranda) collected during the second  
8 preceding calendar month by the Department and paid into the  
9 County and Mass Transit District Fund, plus an amount the  
10 Department determines is necessary to offset any amounts  
11 which were erroneously paid to a different taxing body, and  
12 not including an amount equal to the amount of refunds made  
13 during the second preceding calendar month by the Department,  
14 and not including any amount which the Department determines  
15 is necessary to offset any amounts which were payable to a  
16 different taxing body but were erroneously paid to the  
17 Regional Transportation Authority or county. Within 10 days  
18 after receipt, by the Comptroller, of the disbursement  
19 certification to the Regional Transportation Authority and  
20 counties, provided for in this Section to be given to the  
21 Comptroller by the Department, the Comptroller shall cause  
22 the orders to be drawn for the respective amounts in  
23 accordance with the directions contained in such  
24 certification.

25 When certifying the amount of a monthly disbursement to  
26 the Regional Transportation Authority or to a county under  
27 this Section, the Department shall increase or decrease that  
28 amount by an amount necessary to offset any misallocation of  
29 previous disbursements. The offset amount shall be the  
30 amount erroneously disbursed within the 6 months preceding  
31 the time a misallocation is discovered.

32 The provisions directing the distributions from the  
33 special fund in the State Treasury provided for in this  
34 Section and from the Regional Transportation Authority tax

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

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

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

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

18 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

19 Sec. 3-10. Rate of tax. Unless otherwise provided in  
20 this Section, the tax imposed by this Act is at the rate of  
21 6.25% of either the selling price or the fair market value,  
22 if any, of the tangible personal property. In all cases  
23 where property functionally used or consumed is the same as  
24 the property that was purchased at retail, then the tax is  
25 imposed on the selling price of the property. In all cases  
26 where property functionally used or consumed is a by-product  
27 or waste product that has been refined, manufactured, or  
28 produced from property purchased at retail, then the tax is  
29 imposed on the lower of the fair market value, if any, of the  
30 specific property so used in this State or on the selling  
31 price of the property purchased at retail. For purposes of  
32 this Section "fair market value" means the price at which

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

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

13 Beginning on August 1 and through August 8 of 2001 and  
14 each year thereafter, with respect to "school supplies" as  
15 defined in Section 2-10 of the Retailers' Occupation Tax Act,  
16 the tax is imposed at the rate of 1.25%. The changes made by  
17 this amendatory Act of the 92nd General Assembly are exempt  
18 from the provisions of Section 3-90.

19 With respect to gasohol, the tax imposed by this Act  
20 applies to 70% of the proceeds of sales made on or after  
21 January 1, 1990, and before July 1, 2003, and to 100% of the  
22 proceeds of sales made thereafter.

23 With respect to food for human consumption that is to be  
24 consumed off the premises where it is sold (other than  
25 alcoholic beverages, soft drinks, and food that has been  
26 prepared for immediate consumption) and prescription and  
27 nonprescription medicines, drugs, medical appliances,  
28 modifications to a motor vehicle for the purpose of rendering  
29 it usable by a disabled person, and insulin, urine testing  
30 materials, syringes, and needles used by diabetics, for human  
31 use, the tax is imposed at the rate of 1%. For the purposes  
32 of this Section, the term "soft drinks" means any complete,  
33 finished, ready-to-use, non-alcoholic drink, whether  
34 carbonated or not, including but not limited to soda water,



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

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

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

22 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
23 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

24 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

25 Sec. 9. Except as to motor vehicles, watercraft,  
26 aircraft, and trailers that are required to be registered  
27 with an agency of this State, each retailer required or  
28 authorized to collect the tax imposed by this Act shall pay  
29 to the Department the amount of such tax (except as otherwise  
30 provided) at the time when he is required to file his return  
31 for the period during which such tax was collected, less a  
32 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
33 after January 1, 1990, or \$5 per calendar year, whichever is

1 greater, which is allowed to reimburse the retailer for  
2 expenses incurred in collecting the tax, keeping records,  
3 preparing and filing returns, remitting the tax and supplying  
4 data to the Department on request. In the case of retailers  
5 who report and pay the tax on a transaction by transaction  
6 basis, as provided in this Section, such discount shall be  
7 taken with each such tax remittance instead of when such  
8 retailer files his periodic return. A retailer need not  
9 remit that part of any tax collected by him to the extent  
10 that he is required to remit and does remit the tax imposed  
11 by the Retailers' Occupation Tax Act, with respect to the  
12 sale of the same property.

13 Where such tangible personal property is sold under a  
14 conditional sales contract, or under any other form of sale  
15 wherein the payment of the principal sum, or a part thereof,  
16 is extended beyond the close of the period for which the  
17 return is filed, the retailer, in collecting the tax (except  
18 as to motor vehicles, watercraft, aircraft, and trailers that  
19 are required to be registered with an agency of this State),  
20 may collect for each tax return period, only the tax  
21 applicable to that part of the selling price actually  
22 received during such tax return period.

23 Except as provided in this Section, on or before the  
24 twentieth day of each calendar month, such retailer shall  
25 file a return for the preceding calendar month. Such return  
26 shall be filed on forms prescribed by the Department and  
27 shall furnish such information as the Department may  
28 reasonably require.

29 The Department may require returns to be filed on a  
30 quarterly basis. If so required, a return for each calendar  
31 quarter shall be filed on or before the twentieth day of the  
32 calendar month following the end of such calendar quarter.  
33 The taxpayer shall also file a return with the Department for  
34 each of the first two months of each calendar quarter, on or

1 before the twentieth day of the following calendar month,  
2 stating:

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

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

22 Beginning October 1, 1993, a taxpayer who has an average  
23 monthly tax liability of \$150,000 or more shall make all  
24 payments required by rules of the Department by electronic  
25 funds transfer. Beginning October 1, 1994, a taxpayer who has  
26 an average monthly tax liability of \$100,000 or more shall  
27 make all payments required by rules of the Department by  
28 electronic funds transfer. Beginning October 1, 1995, a  
29 taxpayer who has an average monthly tax liability of \$50,000  
30 or more shall make all payments required by rules of the  
31 Department by electronic funds transfer. Beginning October 1,  
32 2000, a taxpayer who has an annual tax liability of \$200,000  
33 or more shall make all payments required by rules of the  
34 Department by electronic funds transfer. The term "annual

1 tax liability" shall be the sum of the taxpayer's liabilities  
2 under this Act, and under all other State and local  
3 occupation and use tax laws administered by the Department,  
4 for the immediately preceding calendar year. The term  
5 "average monthly tax liability" means the sum of the  
6 taxpayer's liabilities under this Act, and under all other  
7 State and local occupation and use tax laws administered by  
8 the Department, for the immediately preceding calendar year  
9 divided by 12.

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

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

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

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

26 Before October 1, 2000, if the taxpayer's average monthly  
27 tax liability to the Department under this Act, the  
28 Retailers' Occupation Tax Act, the Service Occupation Tax  
29 Act, the Service Use Tax Act was \$10,000 or more during the  
30 preceding 4 complete calendar quarters, he shall file a  
31 return with the Department each month by the 20th day of the  
32 month next following the month during which such tax  
33 liability is incurred and shall make payments to the  
34 Department on or before the 7th, 15th, 22nd and last day of

1 the month during which such liability is incurred. On and  
2 after October 1, 2000, if the taxpayer's average monthly tax  
3 liability to the Department under this Act, the Retailers'  
4 Occupation Tax Act, the Service Occupation Tax Act, and the  
5 Service Use Tax Act was \$20,000 or more during the preceding  
6 4 complete calendar quarters, he shall file a return with the  
7 Department each month by the 20th day of the month next  
8 following the month during which such tax liability is  
9 incurred and shall make payment to the Department on or  
10 before the 7th, 15th, 22nd and last day of the month during  
11 which such liability is incurred. If the month during which  
12 such tax liability is incurred began prior to January 1,  
13 1985, each payment shall be in an amount equal to 1/4 of the  
14 taxpayer's actual liability for the month or an amount set by  
15 the Department not to exceed 1/4 of the average monthly  
16 liability of the taxpayer to the Department for the preceding  
17 4 complete calendar quarters (excluding the month of highest  
18 liability and the month of lowest liability in such 4 quarter  
19 period). If the month during which such tax liability is  
20 incurred begins on or after January 1, 1985, and prior to  
21 January 1, 1987, each payment shall be in an amount equal to  
22 22.5% of the taxpayer's actual liability for the month or  
23 27.5% of the taxpayer's liability for the same calendar month  
24 of the preceding year. If the month during which such tax  
25 liability is incurred begins on or after January 1, 1987, and  
26 prior to January 1, 1988, each payment shall be in an amount  
27 equal to 22.5% of the taxpayer's actual liability for the  
28 month or 26.25% of the taxpayer's liability for the same  
29 calendar month of the preceding year. If the month during  
30 which such tax liability is incurred begins on or after  
31 January 1, 1988, and prior to January 1, 1989, or begins on  
32 or after January 1, 1996, each payment shall be in an amount  
33 equal to 22.5% of the taxpayer's actual liability for the  
34 month or 25% of the taxpayer's liability for the same

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

1 is less than \$20,000. However, if a taxpayer can show the  
2 Department that a substantial change in the taxpayer's  
3 business has occurred which causes the taxpayer to anticipate  
4 that his average monthly tax liability for the reasonably  
5 foreseeable future will fall below the \$20,000 threshold  
6 stated above, then such taxpayer may petition the Department  
7 for a change in such taxpayer's reporting status. The  
8 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 and the amount of such quarter monthly payment actually and  
15 timely paid, except insofar as the taxpayer has previously  
16 made payments for that month to the Department in excess of  
17 the minimum payments previously due as provided in this  
18 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 If any such payment provided for in this Section exceeds  
23 the taxpayer's liabilities under this Act, the Retailers'  
24 Occupation Tax Act, the Service Occupation Tax Act and the  
25 Service Use Tax Act, as shown by an original monthly return,  
26 the Department shall issue to the taxpayer a credit  
27 memorandum no later than 30 days after the date of payment,  
28 which memorandum may be submitted by the taxpayer to the  
29 Department in payment of tax liability subsequently to be  
30 remitted by the taxpayer to the Department or be assigned by  
31 the taxpayer to a similar taxpayer under this Act, the  
32 Retailers' Occupation Tax Act, the Service Occupation Tax Act  
33 or the Service Use Tax Act, in accordance with reasonable  
34 rules and regulations to be prescribed by the Department,

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

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

27 If the retailer is otherwise required to file a monthly  
28 or quarterly return and if the retailer's average monthly tax  
29 liability to the Department does not exceed \$50, the  
30 Department may authorize his returns to be filed on an annual  
31 basis, with the return for a given year being due by January  
32 20 of the following year.

33 Such quarter annual and annual returns, as to form and  
34 substance, shall be subject to the same requirements as



1 monthly returns.

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

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

32 The transaction reporting return in the case of motor  
33 vehicles or trailers that are required to be registered with  
34 an agency of this State, shall be the same document as the

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

19 The transaction reporting return in the case of  
20 watercraft and aircraft must show the name and address of the  
21 seller; the name and address of the purchaser; the amount of  
22 the selling price including the amount allowed by the  
23 retailer for traded-in property, if any; the amount allowed  
24 by the retailer for the traded-in tangible personal property,  
25 if any, to the extent to which Section 2 of this Act allows  
26 an exemption for the value of traded-in property; the balance  
27 payable after deducting such trade-in allowance from the  
28 total selling price; the amount of tax due from the retailer  
29 with respect to such transaction; the amount of tax collected  
30 from the purchaser by the retailer on such transaction (or  
31 satisfactory evidence that such tax is not due in that  
32 particular instance, if that is claimed to be the fact); the  
33 place and date of the sale, a sufficient identification of  
34 the property sold, and such other information as the

1 Department may reasonably require.

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

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

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

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

20           Where a retailer collects the tax with respect to the  
21 selling price of tangible personal property which he sells  
22 and the purchaser thereafter returns such tangible personal  
23 property and the retailer refunds the selling price thereof  
24 to the purchaser, such retailer shall also refund, to the  
25 purchaser, the tax so collected from the purchaser. When  
26 filing his return for the period in which he refunds such tax  
27 to the purchaser, the retailer may deduct the amount of the  
28 tax so refunded by him to the purchaser from any other use  
29 tax which such retailer may be required to pay or remit to  
30 the Department, as shown by such return, if the amount of the  
31 tax to be deducted was previously remitted to the Department  
32 by such retailer. If the retailer has not previously  
33 remitted the amount of such tax to the Department, he is  
34 entitled to no deduction under this Act upon refunding such

1 tax to the purchaser.

2 Any retailer filing a return under this Section shall  
3 also include (for the purpose of paying tax thereon) the  
4 total tax covered by such return upon the selling price of  
5 tangible personal property purchased by him at retail from a  
6 retailer, but as to which the tax imposed by this Act was not  
7 collected from the retailer filing such return, and such  
8 retailer shall remit the amount of such tax to the Department  
9 when filing such return.

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

16 Where the retailer has more than one business registered  
17 with the Department under separate registration under this  
18 Act, such retailer may not file each return that is due as a  
19 single return covering all such registered businesses, but  
20 shall file separate returns for each such registered  
21 business.

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

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

1 of the net revenue realized for the preceding month from the  
2 6.25% 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 Beginning January 1, 1990, each month the Department  
7 shall pay into the State and Local Sales Tax Reform Fund, a  
8 special fund in the State Treasury, 20% of the net revenue  
9 realized for the preceding month from the 6.25% general rate  
10 on the selling price of tangible personal property, other  
11 than tangible personal property which is purchased outside  
12 Illinois at retail from a retailer and which is titled or  
13 registered by an agency of this State's government.

14 Beginning August 1, 2000, each month the Department shall  
15 pay into the State and Local Sales Tax Reform Fund 100% of  
16 the net revenue realized for the preceding month from the  
17 1.25% rate on the selling price of motor fuel and gasohol.

18 Each September the Department shall pay into the State  
19 and Local Sales Tax Reform Fund 100% of the net revenue  
20 realized for the preceding month from the 1.25% rate on  
21 "school supplies" as defined in Section 2-10 of the  
22 Retailers' Occupation Tax Act.

23 Beginning January 1, 1990, each month the Department  
24 shall pay into the Local Government Tax Fund 16% 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 which is purchased outside Illinois at retail from a  
28 retailer and which is titled or registered by an agency of  
29 this State's government.

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

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

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

28 Subject to payment of amounts into the Build Illinois  
29 Fund as provided in the preceding paragraph or in any  
30 amendment thereto hereafter enacted, the following specified  
31 monthly installment of the amount requested in the  
32 certificate of the Chairman of the Metropolitan Pier and  
33 Exposition Authority provided under Section 8.25f of the  
34 State Finance Act, but not in excess of the sums designated



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

7	Fiscal Year	Total Deposit
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	84,000,000
18	2003	89,000,000
19	2004	93,000,000
20	2005	97,000,000
21	2006	102,000,000
22	2007	108,000,000
23	2008	115,000,000
24	2009	120,000,000
25	2010	126,000,000
26	2011	132,000,000
27	2012	138,000,000
28	2013 and	145,000,000

29 each fiscal year  
 30 thereafter that bonds  
 31 are outstanding under  
 32 Section 13.2 of the  
 33 Metropolitan Pier and  
 34 Exposition Authority

1 Act, but not after fiscal year 2029.

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

15 Subject to payment of amounts into the Build Illinois  
16 Fund and the McCormick Place Expansion Project Fund pursuant  
17 to the preceding paragraphs or in any amendment thereto  
18 hereafter enacted, each month the Department shall pay into  
19 the Local Government Distributive Fund .4% of the net revenue  
20 realized for the preceding month from the 5% general rate, or  
21 .4% of 80% of the net revenue realized for the preceding  
22 month from the 6.25% general rate, as the case may be, on the  
23 selling price of tangible personal property which amount  
24 shall, subject to appropriation, be distributed as provided  
25 in Section 2 of the State Revenue Sharing Act. No payments or  
26 distributions pursuant to this paragraph shall be made if the  
27 tax imposed by this Act on photoprocessing products is  
28 declared unconstitutional, or if the proceeds from such tax  
29 are unavailable for distribution because of litigation.

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

1 into the Illinois Tax Increment Fund 0.27% of 80% of the net  
2 revenue realized for the preceding month from the 6.25%  
3 general rate on the selling price of tangible personal  
4 property.

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

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

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

23 For greater simplicity of administration, manufacturers,  
24 importers and wholesalers whose products are sold at retail  
25 in Illinois by numerous retailers, and who wish to do so, may  
26 assume the responsibility for accounting and paying to the  
27 Department all tax accruing under this Act with respect to  
28 such sales, if the retailers who are affected do not make  
29 written objection to the Department to this arrangement.

30 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;  
31 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.  
32 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,  
33 eff. 1-1-01; revised 8-30-00.)

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

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

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

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

15 With respect to gasohol, as defined in the Use Tax Act,  
16 the tax imposed by this Act applies to 70% of the selling  
17 price of property transferred as an incident to the sale of  
18 service on or after January 1, 1990, and before July 1, 2003,  
19 and to 100% of the selling price thereafter.

20 Beginning on August 1 and through August 8 of 2001 and  
21 each year thereafter, with respect to "school supplies" as  
22 defined in Section 2-10 of the Retailers' Occupation Tax Act,  
23 the tax is imposed at the rate of 1.25%. The changes made by  
24 this amendatory Act of the 92nd General Assembly are exempt  
25 from the provisions of Section 3-75.

26 At the election of any registered serviceman made for  
27 each fiscal year, sales of service in which the aggregate  
28 annual cost price of tangible personal property transferred  
29 as an incident to the sales of service is less than 35%, or  
30 75% in the case of servicemen transferring prescription drugs  
31 or servicemen engaged in graphic arts production, of the  
32 aggregate annual total gross receipts from all sales of  
33 service, the tax imposed by this Act shall be based on the

1 serviceman's cost price of the tangible personal property  
2 transferred as an incident to the sale of those services.

3 The tax shall be imposed at the rate of 1% on food  
4 prepared for immediate consumption and transferred incident  
5 to a sale of service subject to this Act or the Service  
6 Occupation Tax Act by an entity licensed under the Hospital  
7 Licensing Act, the Nursing Home Care Act, or the Child Care  
8 Act of 1969. The tax shall also be imposed at the rate of 1%  
9 on food for human consumption that is to be consumed off the  
10 premises where it is sold (other than alcoholic beverages,  
11 soft drinks, and food that has been prepared for immediate  
12 consumption and is not otherwise included in this paragraph)  
13 and prescription and nonprescription medicines, drugs,  
14 medical appliances, modifications to a motor vehicle for the  
15 purpose of rendering it usable by a disabled person, and  
16 insulin, urine testing materials, syringes, and needles used  
17 by diabetics, for human use. For the purposes of this  
18 Section, the term "soft drinks" means any complete, finished,  
19 ready-to-use, non-alcoholic drink, whether carbonated or not,  
20 including but not limited to soda water, cola, fruit juice,  
21 vegetable juice, carbonated water, and all other preparations  
22 commonly known as soft drinks of whatever kind or description  
23 that are contained in any closed or sealed bottle, can,  
24 carton, or container, regardless of size. "Soft drinks" does  
25 not include coffee, tea, non-carbonated water, infant  
26 formula, milk or milk products as defined in the Grade A  
27 Pasteurized Milk and Milk Products Act, or drinks containing  
28 50% or more natural fruit or vegetable juice.

29 Notwithstanding any other provisions of this Act, "food  
30 for human consumption that is to be consumed off the premises  
31 where it is sold" includes all food sold through a vending  
32 machine, except soft drinks and food products that are  
33 dispensed hot from a vending machine, regardless of the  
34 location of the vending machine.

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

8           (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
9 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.  
10 7-1-00.)

11           (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

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

9           1. The name of the seller;

10           2. The address of the principal place of business  
11 from which he engages in business as a serviceman in this  
12 State;

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

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

19           5. The amount of tax due;

20           5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

31 If the serviceman is otherwise required to file a monthly  
32 return and if the serviceman's average monthly tax liability  
33 to 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 serviceman is otherwise required to file a monthly  
9 or quarterly return and if the serviceman's average monthly  
10 tax 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 serviceman may file his  
19 return, in the case of any serviceman who ceases to engage in  
20 a kind of business which makes him responsible for filing  
21 returns under this Act, such serviceman shall file a final  
22 return under this Act with the Department not more than 1  
23 month after discontinuing such business.

24 Where a serviceman collects the tax with respect to the  
25 selling price of property which he sells and the purchaser  
26 thereafter returns such property and the serviceman refunds  
27 the selling price thereof to the purchaser, such serviceman  
28 shall also refund, to the purchaser, the tax so collected  
29 from the purchaser. When filing his return for the period in  
30 which he refunds such tax to the purchaser, the serviceman  
31 may deduct the amount of the tax so refunded by him to the  
32 purchaser from any other Service Use Tax, Service Occupation  
33 Tax, retailers' occupation tax or use tax which such  
34 serviceman may be required to pay or remit to the Department,

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

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

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

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

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

34 Beginning January 1, 1990, each month the Department

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

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

12 Each September the Department shall pay into the State  
13 and Local Sales Tax Reform Fund 100% of the net revenue  
14 realized for the preceding month from the 1.25% rate on  
15 "school supplies" as defined in Section 2-10 of the  
16 Retailers' Occupation Tax Act.

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

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

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

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

28	Fiscal Year	Total Deposit
29	1993	\$0
30	1994	53,000,000
31	1995	58,000,000
32	1996	61,000,000
33	1997	64,000,000
34	1998	68,000,000

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

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

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

1 Deposit", has been deposited.

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

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

27 All remaining moneys received by the Department pursuant  
28 to this Act shall be paid into the General Revenue Fund of  
29 the State Treasury.

30 As soon as possible after the first day of each month,  
31 upon certification of the Department of Revenue, the  
32 Comptroller shall order transferred and the Treasurer shall  
33 transfer from the General Revenue Fund to the Motor Fuel Tax  
34 Fund an amount equal to 1.7% of 80% of the net revenue

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

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

8 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,  
9 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;  
10 91-872, eff. 7-1-00.)

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

13 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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



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

4 With respect to gasohol, as defined in the Use Tax Act,  
5 the tax imposed by this Act shall apply to 70% of the cost  
6 price of property transferred as an incident to the sale of  
7 service on or after January 1, 1990, and before July 1, 2003,  
8 and to 100% of the cost price thereafter.

9 Beginning on August 1 and through August 8 of 2001 and  
10 each year thereafter, with respect to "school supplies" as  
11 defined in Section 2-10 of the Retailers' Occupation Tax Act,  
12 the tax is imposed at the rate of 1.25%. The changes made by  
13 this amendatory Act of the 92nd General Assembly are exempt  
14 from the provisions of Section 3-55.

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

25 The tax shall be imposed at the rate of 1% on food  
26 prepared for immediate consumption and transferred incident  
27 to a sale of service subject to this Act or the Service  
28 Occupation Tax Act by an entity licensed under the Hospital  
29 Licensing Act, the Nursing Home Care Act, or the Child Care  
30 Act of 1969. The tax shall also be imposed at the rate of 1%  
31 on food for human consumption that is to be consumed off the  
32 premises where it is sold (other than alcoholic beverages,  
33 soft drinks, and food that has been prepared for immediate  
34 consumption and is not otherwise included in this paragraph)

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

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

23 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
24 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

25 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

26 Sec. 9. Each serviceman required or authorized to  
27 collect the tax herein imposed shall pay to the Department  
28 the amount of such tax at the time when he is required to  
29 file his return for the period during which such tax was  
30 collectible, less a discount of 2.1% prior to January 1,  
31 1990, and 1.75% on and after January 1, 1990, or \$5 per  
32 calendar year, whichever is greater, which is allowed to  
33 reimburse the serviceman for expenses incurred in collecting

1 the tax, keeping records, preparing and filing returns,  
2 remitting the tax and supplying data to the Department on  
3 request.

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

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

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

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

1 deductions allowed by law;

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

4 5. The amount of tax due;

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

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

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

12 A serviceman may accept a Manufacturer's Purchase Credit  
13 certification from a purchaser in satisfaction of Service Use  
14 Tax as provided in Section 3-70 of the Service Use Tax Act if  
15 the purchaser provides the appropriate documentation as  
16 required by Section 3-70 of the Service Use Tax Act. A  
17 Manufacturer's Purchase Credit certification, accepted by a  
18 serviceman as provided in Section 3-70 of the Service Use Tax  
19 Act, may be used by that serviceman to satisfy Service  
20 Occupation Tax liability in the amount claimed in the  
21 certification, not to exceed 6.25% of the receipts subject to  
22 tax from a qualifying purchase.

23 If the serviceman's average monthly tax liability to the  
24 Department does not exceed \$200, the Department may authorize  
25 his returns to be filed on a quarter annual basis, with the  
26 return for January, February and March of a given year being  
27 due by April 20 of such year; with the return for April, May  
28 and June of a given year being due by July 20 of such year;  
29 with the return for July, August and September of a given  
30 year being due by October 20 of such year, and with the  
31 return for October, November and December of a given year  
32 being due by January 20 of the following year.

33 If the serviceman's average monthly tax liability to the  
34 Department does not exceed \$50, the Department may authorize

1 his returns to be filed on an annual basis, with the return  
2 for a given year being due by January 20 of the following  
3 year.

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

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

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

1 divided by 12.

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

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

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

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

18 Where a serviceman collects the tax with respect to the  
19 selling price of tangible personal property which he sells  
20 and the purchaser thereafter returns such tangible personal  
21 property and the serviceman refunds the selling price thereof  
22 to the purchaser, such serviceman shall also refund, to the  
23 purchaser, the tax so collected from the purchaser. When  
24 filing his return for the period in which he refunds such tax  
25 to the purchaser, the serviceman may deduct the amount of the  
26 tax so refunded by him to the purchaser from any other  
27 Service Occupation Tax, Service Use Tax, Retailers'  
28 Occupation Tax or Use Tax which such serviceman may be  
29 required to pay or remit to the Department, as shown by such  
30 return, provided that the amount of the tax to be deducted  
31 shall previously have been remitted to the Department by such  
32 serviceman. If the serviceman shall not previously have  
33 remitted the amount of such tax to the Department, he shall  
34 be entitled to no deduction hereunder upon refunding such tax

1 to the purchaser.

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

9 Where the serviceman has more than one business  
10 registered with the Department under separate registrations  
11 hereunder, such serviceman shall file separate returns for  
12 each registered business.

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

22 Beginning January 1, 1990, each month the Department  
23 shall pay into the County and Mass Transit District Fund 4%  
24 of the revenue realized for the preceding month from the  
25 6.25% general rate.

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

30 Each September the Department shall pay into the County  
31 and Mass Transit District Fund 20% of the net revenue  
32 realized for the preceding month from the 1.25% rate on  
33 "school supplies" as defined in Section 2-10 of the  
34 Retailers' Occupation Tax Act.

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

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

9           Each September the Department shall pay into the Local  
10 Government Tax Fund 80% of the net revenue realized for the  
11 preceding month from the 1.25% rate on "school supplies" as  
12 defined in Section 2-10 of the Retailers' Occupation Tax Act.

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



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

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

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

24	Fiscal Year	Total Deposit
25	1993	\$0
26	1994	53,000,000
27	1995	58,000,000
28	1996	61,000,000
29	1997	64,000,000
30	1998	68,000,000
31	1999	71,000,000
32	2000	75,000,000
33	2001	80,000,000
34	2002	84,000,000

1	2003	89,000,000
2	2004	93,000,000
3	2005	97,000,000
4	2006	102,000,000
5	2007	108,000,000
6	2008	115,000,000
7	2009	120,000,000
8	2010	126,000,000
9	2011	132,000,000
10	2012	138,000,000
11	2013 and	145,000,000

12           each fiscal year  
13           thereafter that bonds  
14           are outstanding under  
15           Section 13.2 of the  
16           Metropolitan Pier and  
17           Exposition Authority  
18           Act, but not after fiscal year 2029.

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

32           Subject to payment of amounts into the Build Illinois  
33           Fund and the McCormick Place Expansion Project Fund pursuant  
34           to the preceding paragraphs or in any amendment thereto

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

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

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

26 The Department may, upon separate written notice to a  
27 taxpayer, require the taxpayer to prepare and file with the  
28 Department on a form prescribed by the Department within not  
29 less than 60 days after receipt of the notice an annual  
30 information return for the tax year specified in the notice.  
31 Such annual return to the Department shall include a  
32 statement of gross receipts as shown by the taxpayer's last  
33 Federal income tax return. If the total receipts of the  
34 business as reported in the Federal income tax return do not

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

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

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

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

28 The chief executive officer, proprietor, owner or highest  
29 ranking manager shall sign the annual return to certify the  
30 accuracy of the information contained therein. Any person  
31 who willfully signs the annual return containing false or  
32 inaccurate information shall be guilty of perjury and  
33 punished accordingly. The annual return form prescribed by  
34 the Department shall include a warning that the person

1 signing the return may be liable for perjury.

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

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

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

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

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

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

31 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

32 Sec. 2-10. Rate of tax. Unless otherwise provided in

1 this Section, the tax imposed by this Act is at the rate of  
2 6.25% of gross receipts from sales of tangible personal  
3 property made in the course of business.

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

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

23 With respect to gasohol, as defined in the Use Tax Act,  
24 the tax imposed by this Act applies to 70% of the proceeds of  
25 sales made on or after January 1, 1990, and before July 1,  
26 2003, and to 100% of the proceeds of sales made thereafter.

27 Beginning on August 1 and through August 8 of 2001 and  
28 each year thereafter, with respect to "school supplies", the  
29 tax is imposed at the rate of 1.25%. "School supplies" means  
30 (i) clothing having a selling price of \$100 or less, (ii)  
31 wallets having a selling price of \$100 or less, (iii) bags  
32 having a selling price of \$100 or less, (iv) supplies used by  
33 students for school purposes, except calculators, having a  
34 selling price of \$10 or less, and (v) calculators having a

1 selling price of \$100 or less. For purposes of "school  
2 supplies": "clothing" means any article of wearing apparel,  
3 including all footwear, except skis, swim fins, roller  
4 blades, and skates, intended to be worn on or about the human  
5 body, but does not include watches, watchbands, jewelry,  
6 umbrellas, or handkerchiefs; "bags" includes handbags,  
7 backpacks, and fanny packs, but does not include briefcases,  
8 suitcases, and other garment bags; and "supplies used by  
9 students for school purposes" means pens, pencils, erasers,  
10 crayons, notebooks, notebook filler paper, legal pads,  
11 composition books, poster paper, scissors, cellophane tape,  
12 glue or paste, rulers, protractors, compasses, and  
13 calculators. "School supplies" that are normally sold as a  
14 unit must continue to be sold in that manner and cannot be  
15 priced separately and sold as individual items in order to be  
16 subject to the tax holiday. Any discount, coupon, or other  
17 credit offered either by the retailer or by a vendor of the  
18 retailer to reduce the final price to the customer shall be  
19 taken into account in determining the selling price of  
20 "school supplies" for purposes of this tax holiday. "School  
21 supplies" do not include sales within a theme park or  
22 entertainment complex, or within a public lodging  
23 establishment. The changes made by this amendatory Act of  
24 the 92nd General Assembly are exempt from the provisions of  
25 Section 2-70.

26 With respect to food for human consumption that is to be  
27 consumed off the premises where it is sold (other than  
28 alcoholic beverages, soft drinks, and food that has been  
29 prepared for immediate consumption) and prescription and  
30 nonprescription medicines, drugs, medical appliances,  
31 modifications to a motor vehicle for the purpose of rendering  
32 it usable by a disabled person, and insulin, urine testing  
33 materials, syringes, and needles used by diabetics, for human  
34 use, the tax is imposed at the rate of 1%. For the purposes



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

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

18 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
 19 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

20 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

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

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

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

9 5. Deductions allowed by law;

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

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

15 8. The amount of tax due;

16 9. The signature of the taxpayer; and

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

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

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

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

1 receipts subject to tax from a qualifying purchase.

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

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

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

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

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

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

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

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

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

32 Where the same person has more than one business  
33 registered with the Department under separate registrations  
34 under this Act, such person may not file each return that is

1 due as a single return covering all such registered  
2 businesses, but shall file separate returns for each such  
3 registered business.

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

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

1 be required to file returns on an annual basis.

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

23 The transaction reporting return in the case of  
24 watercraft or aircraft must show the name and address of the  
25 seller; the name and address of the purchaser; the amount of  
26 the selling price including the amount allowed by the  
27 retailer for traded-in property, if any; the amount allowed  
28 by the retailer for the traded-in tangible personal property,  
29 if any, to the extent to which Section 1 of this Act allows  
30 an exemption for the value of traded-in property; the balance  
31 payable after deducting such trade-in allowance from the  
32 total selling price; the amount of tax due from the retailer  
33 with respect to such transaction; the amount of tax collected  
34 from the purchaser by the retailer on such transaction (or

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

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

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

31 No retailer's failure or refusal to remit tax under this  
32 Act precludes a user, who has paid the proper tax to the  
33 retailer, from obtaining his certificate of title or other  
34 evidence of title or registration (if titling or registration



1 is required) upon satisfying the Department that such user  
2 has paid the proper tax (if tax is due) to the retailer. The  
3 Department shall adopt appropriate rules to carry out the  
4 mandate of this paragraph.

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

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

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

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

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

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

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

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

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

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

25 Without regard to whether a taxpayer is required to make  
26 quarter monthly payments as specified above, any taxpayer who  
27 is required by Section 2d of this Act to collect and remit  
28 prepaid taxes and has collected prepaid taxes which average  
29 in excess of \$25,000 per month during the preceding 2  
30 complete calendar quarters, shall file a return with the  
31 Department as required by Section 2f and shall make payments  
32 to the Department on or before the 7th, 15th, 22nd and last  
33 day of the month during which such liability is incurred. If  
34 the month during which such tax liability is incurred began

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

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

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

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

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

31 Beginning January 1, 1990, each month the Department  
32 shall pay into the County and Mass Transit District Fund, a  
33 special fund in the State treasury which is hereby created,  
34 4% of the net revenue realized for the preceding month from

1 the 6.25% general rate.

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

6 Each September the Department shall pay into the County  
7 and Mass Transit District Fund 20% of the net revenue  
8 realized for the preceding month from the 1.25% rate on  
9 "school supplies" as defined in Section 2-10 this Act.

10 Beginning January 1, 1990, each month the Department  
11 shall pay into the Local Government Tax Fund 16% 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 Beginning August 1, 2000, each month the Department shall  
16 pay into the Local Government Tax Fund 80% of the net revenue  
17 realized for the preceding month from the 1.25% rate on the  
18 selling price of motor fuel and gasohol.

19 Each September the Department shall pay into the Local  
20 Government Tax Fund 80% of the net revenue realized for the  
21 preceding month from the 1.25% rate on "school supplies" as  
22 defined in Section 2-10 of this Act.

23 Of the remainder of the moneys received by the Department  
24 pursuant to this Act, (a) 1.75% thereof shall be paid into  
25 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%  
26 and on and after July 1, 1989, 3.8% thereof shall be paid  
27 into the Build Illinois Fund; provided, however, that if in  
28 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,  
29 as the case may be, of the moneys received by the Department  
30 and required to be paid into the Build Illinois Fund pursuant  
31 to this Act, Section 9 of the Use Tax Act, Section 9 of the  
32 Service Use Tax Act, and Section 9 of the Service Occupation  
33 Tax Act, such Acts being hereinafter called the "Tax Acts"  
34 and such aggregate of 2.2% or 3.8%, as the case may be, of



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

10	Fiscal Year	Annual Specified Amount
11	1986	\$54,800,000
12	1987	\$76,650,000
13	1988	\$80,480,000
14	1989	\$88,510,000
15	1990	\$115,330,000
16	1991	\$145,470,000
17	1992	\$182,730,000
18	1993	\$206,520,000;

19 and means the Certified Annual Debt Service Requirement (as  
 20 defined in Section 13 of the Build Illinois Bond Act) or the  
 21 Tax Act Amount, whichever is greater, for fiscal year 1994  
 22 and each fiscal year thereafter; and further provided, that  
 23 if on the last business day of any month the sum of (1) the  
 24 Tax Act Amount required to be deposited into the Build  
 25 Illinois Bond Account in the Build Illinois Fund during such  
 26 month and (2) the amount transferred to the Build Illinois  
 27 Fund from the State and Local Sales Tax Reform Fund shall  
 28 have been less than 1/12 of the Annual Specified Amount, an  
 29 amount equal to the difference shall be immediately paid into  
 30 the Build Illinois Fund from other moneys received by the  
 31 Department pursuant to the Tax Acts; and, further provided,  
 32 that in no event shall the payments required under the  
 33 preceding proviso result in aggregate payments into the Build  
 34 Illinois Fund pursuant to this clause (b) for any fiscal year

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

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

14	Fiscal Year	Total Deposit
15	1993	\$0
16	1994	53,000,000
17	1995	58,000,000
18	1996	61,000,000
19	1997	64,000,000
20	1998	68,000,000
21	1999	71,000,000
22	2000	75,000,000
23	2001	80,000,000
24	2002	84,000,000
25	2003	89,000,000
26	2004	93,000,000
27	2005	97,000,000
28	2006	102,000,000
29	2007	108,000,000
30	2008	115,000,000
31	2009	120,000,000
32	2010	126,000,000
33	2011	132,000,000
34	2012	138,000,000

1                   2013 and                   145,000,000  
2           each fiscal year  
3           thereafter that bonds  
4           are outstanding under  
5           Section 13.2 of the  
6           Metropolitan Pier and  
7           Exposition Authority  
8           Act, but not after fiscal year 2029.

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

22          Subject to payment of amounts into the Build Illinois  
23          Fund and the McCormick Place Expansion Project Fund pursuant  
24          to the preceding paragraphs or in any amendment thereto  
25          hereafter enacted, each month the Department shall pay into  
26          the Local Government Distributive Fund 0.4% of the net  
27          revenue realized for the preceding month from the 5% general  
28          rate or 0.4% of 80% of the net revenue realized for the  
29          preceding month from the 6.25% general rate, as the case may  
30          be, on the selling price of tangible personal property which  
31          amount shall, subject to appropriation, be distributed as  
32          provided in Section 2 of the State Revenue Sharing Act. No  
33          payments or distributions pursuant to this paragraph shall be  
34          made if the tax imposed by this Act on photoprocessing

1 products is declared unconstitutional, or if the proceeds  
2 from such tax are unavailable for distribution because of  
3 litigation.

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

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

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

1 and given away by the retailer during such year, payroll  
2 information of the retailer's business during such year and  
3 any additional reasonable information which the Department  
4 deems would be helpful in determining the accuracy of the  
5 monthly, quarterly or annual returns filed by such retailer  
6 as provided for in this Section.

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

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

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

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

28 The provisions of this Section concerning the filing of  
29 an annual information return do not apply to a retailer who  
30 is not required to file an income tax return with the United  
31 States Government.

32 As soon as possible after the first day of each month,  
33 upon certification of the Department of Revenue, the  
34 Comptroller shall order transferred and the Treasurer shall

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

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

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

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

34 Any person engaged in the business of selling tangible

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

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

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.